Daily Report

East Europe

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FBIS-EEU-95-025 *7 February 1995*

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Paris Claims Contact Group Agreement on Bosnia

AU0602155495 Paris AFP in English 1526 GMT 6 Feb 95

[FBIS Transcribed Text] Paris, Feb 6 (AFP)—France's partners in the Contact Group on former Yugoslavia have agreed on a French proposal for a summit meeting to be attended by the three parties in the conflict, the Foreign Ministry said here on Monday [6 February].

Spokeswoman Catherine Colonna said France's four partners in the Contact Group—Britain, Germany, Russia and the United States—had agreed "in principle" on the proposal, made by French Foreign Minister Alain Juppe last Tuesday who said he expected a resumption of fighting next spring.

Juppe said negotiations were bogged down and that "only a summit meeting between the main protagonists of the drama can provide the required impetus."

Juppe said it was a "last-chance scenario," but the Bosnian and Croatian Governments have already rejected the proposal.

The French proposal was discussed on Sunday in Munich, Germany, at a meeting of Contact Group diplomats.

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Zhelev Appoints Former Minister Economic Adviser

AU0602134695 Sofia DUMA in Bulgarian 2 Feb 95 p 1

[Article by Sonya Kostadinova]

[FBIS Translated Text] President Zhelev issued a decree yesterday appointing Former Trade Minister Kiril Velev as his economic adviser. After Mariyana Todorova and Lyuben Berov left the presidency for different reasons, certain adviser positions were left vacant. Together with B. Slavenkov, Velev will be the president's second economic adviser. In all likelihood, he will attend meetings of the Council of Ministers. The former minister was a member of the Radical Democratic Party but because of his new post has given up his political affiliation.

Yesterday the president also issued a decree relieving his legal adviser, Zdravka Markova, from her post. Her contract has expired in any case, and she is of pensionable age, presidential sources pointed out.

Presidential Spokesman Valentin Stoyanov denied rumors of changes being planned in the Bulgarian Army General Staff, describing the rumors as "complete rubbish" and pointing out that only the Council of Ministers makes proposals regarding cadre matters in the General Staff. According to the Council of Ministers Press Center, the cabinet has not discussed such an issue.

Former Minister Chavdar Chervenkov is again assuming the post of ambassador in Tunis, where his job has been kept open for him while he served as interior minister in the caretaker cabinet. The presidency has denied rumors that he was to replace General Dimitrov as the president's military adviser.

Cabinet Discusses Budget, Water-Supply Problems

AU0702105095 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 6 Feb 95

[FBIS Translated Text] A cabinet meeting took place on 6 February. Kalina Stancheva reports on the decisions that have been adopted:

[Begin Stancheva recording] The finance minister presented a report on the preparations for the draft 1995 budget bill. The macroframework of this draft budget has been presented in a very synthesized form. Minister Dimitur Kostov quoted the three figures that balance this framework: The revenue is expected to amount to 320 billion leva. The deficit is expected to be about 27 billion leva, a figure that is not expected to prompt strong inflationary pressure. On this basis, expenditures are expected to be about 348 billion leva. Paying the interest on the foreign debt will be one of the greatest expenditures—about 30 percent of the budget. A bit more than 30 percent will be spent on social security and pensions. Health protection and education are also spheres that require great expenditure.

The cabinet adopted additional normative regulations on the urgent measures adopted by the caretaker cabinet concerning improving the water supply to Sofia. Those regulations require of the Ministry of Construction to build, by 20 March, the Skakavitsa-Dzherman water conduit system, which will transport water to the Iskur Dam during spring, when water is abundant. The necessary system that would resolve the water supply problems of Sapareva Banya and Saparevo district should also be completed as soon as possible. In addition, at the Panichishte resort: a special sewage system to carry off waste water.

Noting that the situation in Sofia could soon become more complicated and urgent, the cabinet gave the chairman of the National Water Council 10 days to submit a forecast on the situation of Sofia's water resources for 1995-96, as well as the directions in which the problems in Sofia and Rile should be resolved.

During the same 10 days the minister of health must prepare a forecast on Sofia's sanitary situation during the summer months.

By 1 March the Sofia oblast administration must submit a report on what has been done concerning the situation of the purifying installations, and on the possibilities of discovering new local water sources.

By 1 March The Ministry of Construction and the Ministry of Labor and Social Affairs must present a program on resolving the most urgent communal, everyday needs of Sapareva Banya's population.

The ministers have unanimously decided to submit a draft on amendments and addenda to the Environmental Protection Bill with a view to rectifying it as regards anything related to construction projects.

Deputy Prime Minister and Minister of Economy Rumen Gechev reported that he has selected two candidates for the post of deputy ministers of economy: Gancho Ganches and Entsislav Kharmandzhiev, both economists.

Interior Minister Lyubomir Nachev submitted a report in which he proposes that the cabinet accept the resignation of Major General Vasil Plachkov, and stresses that since Major General Boris Vakavliev has been relieved of his post, that post, secretary of the Ministry of Internal Affairs, is vacant. Nachev proposed that Ivan Stoyanov Boyadzhiev and Paraskev Angelov Paraskevov be appointed secretaries of the Ministry of Internal Affairs.

Prime Minister Zhan Videnov introduced the government spokesman, Nikola Baltsov, and the leader of the Government Press Center, Krasimir Raytovski, who assumed their posts today. [end recording]

Officials Coordinate Fight Against Crime

AU0702085795 Sofia STANDART NEWS in Bulgarian 2 Feb 95 p 4

[Article by Karlo Deyanov]

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[FBIS Translated Text] Yesterday the ministers of justice and interior conferred with top judicial officials on coordinating their fight against crime. Interior Minister Lyubomir Nachev, Justice Minister Mladen Chervenyakov, Chief Prosecutor Ivan Tatarchev, Supreme Court President Rumen Yankov, and Ani Kruleva, director of the National Investigation Service, talked for nearly an hour. The five of them decided to set up a group to prepare changes to the Code of Penal Procedure by 28 February. Deputy Justice Minister Nedko Dobrev will head the group.

We will set up a unified information system for the National Investigation Service, Interior Ministry, Ministry of Justice, Supreme Court, and Chief Prosecutor's Office, Interior Minister Lyubomir Nachev announced. He said the system will include all information collected from the time a crime is registered until the sentence has been served.

On 31 January the new justice minister announced plans to change the system for notifying border checkpoints about stolen vehicles. The border posts are the last to learn about such thefts, the minister explained. They receive the information two hours or more after the theft has been reported, whereas it only takes half an hour to drive from Sofia to the Kalotina border checkpoint.

The interior minister warned that he will consider department chiefs personally responsible for any of their subordinates found to be involved in rackets. According to him, it is not normal for shops and cars to be blown up in certain regions, and for persons to be shot in the street in broad daylight.

The chief prosecutor seemed pleased when he emerged from the meeting. Asked whether the criminals should now be fearful, Tatarchev answered jokingly that it was high time for the law and order authorities to start running wild themselves.

Ministry To Intensify Struggle

AU0602192895 Sofia KONTINENT in Bulgarian 2 Feb 95 p 3

[Interview with Bulgarian Interior Minister Lyubomir Nachev by "journalists" at a news conference on 1 February in Sofia: "Racketeering Will Be Viewed as a Serious Crime"]

[FBIS Translated Excerpt] [KONTINENT] Mr. Minister, are the Code of Penal Procedure and the Penal Code efficient enough? Do they not protect the criminals to a certain extent?

[Nachev] At present there are two drafts ready of the Code of Penal Procedure and the Penal Code. One of them was prepared by the team of Professor Lyuben Berov. We all think the text requires further work, and then it will be discussed in professional circles. As far as urgent amendments are concerned, they will possibly be made within the next three months. [passage omitted]

[KONTINENT] Do you envisage amendments to the Penal Code in anything related to economic crime?

[Nachev] This is one of the priorities in the work of the Ministry of Internal Affairs. I have already begun meetings with the heads of various services at the ministry and on Tuesday [31 January] I met with the head of the National Police. One issue that I put forward most firmly indeed was the struggle against economic crime. The efforts of the Ministry of Internal Affairs are not producing results in this area; I would say that the achievements are far below the capabilities of the ministry. [passage omitted]

[KONTINENT] Will you be able to cope with organized crime?

[Nachev] Economic legislation must be reviewed with a view to revealing all those gaps that at present facilitate the activity of criminal elements. The state sector now allows money to be freely transferred to private pockets and cigarettes, alcohol, weapons, and so on to be illegally smuggled across the border. Legislative measures against these crimes will be determined by an expert group that we have formed, as well as by the Interdepartmental Commission on the Struggle Against Crime.

[KONTINENT] Will you conduct a purge of your staff?

[Nachev] We should be more precise in selecting personnel at the Ministry of Internal Affairs. The way in which I will assess the performance of leading officials of whom I am in charge will be based to a large extent to the specific results of their work and the behavior of their subordinates. It is hardly normal, when in a certain district criminals bomb cars in broad daylight and kill people and policemen are involved in racketeering, for leading officials in that same district not to be held responsible.

DPS Accepts Offer of 'Political Cooperation'

AU0602172695 Sofia STANDART NEWS in Bulgarian 3 Feb 95 p 3

[FBIS Translated Text] The DPS [Rights and Freedoms Movement] has officially accepted the offer of political cooperation from the SDS [Union of Democratic Forces]. Dogan's people gave their written consent to the six principles for political cooperation [that have been adopted by the SDS National Coordinating Council].

The Movement will now wait until their Iron Hawk [leader Ahmed Dogan returns. DPS Deputy Chairman Gyuner Tahir said that negotiations on the agreement will be held between the SDS National Coordinating Council and the DPS Central Executive Bureau. He said the movement also requires written guarantees.

Specific agreements on how the two organizations will cooperate will be signed in each individual electoral district. The DPS will cast its votes for SDS mayors where necessary and vice versa. Within the DPS, people

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are afraid of a possible repetition of the unsuccessful attempt at cooperation made in May of 1992.

We will take a few days to prepare our answer to the DPS, Ivan Kostov (chairman of the National Coordinating Council of the SDS) said. If this formula enables us to win the local elections, we will firmly establish the idea of a united opposition, Aleksandur Yordanov thinks.

The People's Union has also received a copy of the SDS's six principles, but Mozer and Savov's supporters will not send any written reply. It is reported that the two parties in the coalition [Bulgarian National Agrarian Union, BZNS, and Democratic Party] have discussed the SDS proposals but failed to reach a common position. We will agree to common initiatives but we do not want any organization to become a leading force, People's Union Deputy Nino Stavrov declared. He said the BZNS and the Democratic Party have already cooperated with the SDS and DPS in Pleven. The People's Union sets as a condition that the mayor everyone helps will carry out the program adopted by the united opposition.

Article Alleges Greek Propaganda Campaign

AU0702084695 Sofia KONTINENT in Bulgarian 1 Feb 95 p 6

[Article by Krasimir Uzunov, director of the Research Center on Ethnic Conflicts and Regional Security; supplied by Balkan Agency: "They Are Still Chasing Ghosts in the Republic of Macedonia"]

[FBIS Translated Text] The heightened level of U.S. diplomatic and military activity in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] has now produced its first results. The Greek press, followed by the daily NOVA MAKEDONIJA, has published reports claiming that the Skopje leadership may have put in claims for 230 medium battle tanks, Patriot air defense missiles, helicopters, and combat aircraft. Some sources suggest that the negotiations may have taken place during the visit by U.S. Assistant Secretary of State Richard Holbrook; others presume they were held during the visit by General George Joulwan, commander in chief of the U.S. Forces in Europe; a third group believes they took place at the end of last November, when Joseph Kruzel visited Skopje to sign the memorandum on defense cooperation between the United States and the Republic of Macedonia. The lack of clarity and the conjectures being discussed reveal the real nature of the "active measure" mounted by Athens.

On the eve of the European Court meeting in The Hague to issue a ruling on the legality of the Greek embargo against the Republic of Macedonia, the Papandreou government had need of direct and indirect support. For this reason, the confederative aspirations of Serbian President Slobodan Milosevic to unite Serbia, Macedonia, and Greece were not spurned in Athens, even though sparks flew following the visit. The revelations of Serbia and Greece's sharing a common border that occurred to more or less democratic Serbian leaders were also brought out of the arsenal stores. Athens then proceeded to propose direct talks, recalling certain commitments that the new-old leadership in Skopje assumed prior to last October's parallel talks on changing the republic's name and state symbols. The Republic of Macedonia angrily rejected the "pressure, terms, and embargo" that Greece had imposed. The Foreign Ministry in Skopje parried the move by issuing a declaration stating that "...although it is well known that in the Balkans, like anywhere else, disputes cannot be resolved by escalating them into conflicts, Athens has rejected every initiative and display of readiness by Skopje to begin a dialogue."

Quite unexpectedly, Belgrade then also intervened in the dialogue, by issuing a pronouncement on Greece's right to lay claim to the Star of Vergina as a purely Greek symbol. In this way, the Serbian leadership made it crystal clear which side it would support in the dispute, and the Greek report on the military aid and enhanced military cooperation that the Republic of Macedonia was seeking with the United States was widely reported in the Serbian press.

These were the final elegant moves in the diplomatic play meant to prepare for the court hearing in The Hague. Both sides are now submitting claims for justice. At one stroke, the Republic of Macedonia, the undisputed victim of the economic sanctions, was portrayed, at least by the press, as a link in the imbalance in the Balkans. The request for arms deliveries, which in fact relates to the supply of radio and navigational equipment; the possible granting of military bases for U.S. ground forces and facilities, to enable the U.S. contingent to be increased to 30,000 men within 24 hours; the signing of a military cooperation agreement with Turkey in November 1993; and the open involvement of Turkey as a guarantor for the young state's security and integrity—all this cannot fail to alarm the West European partners, in some of whose countries the Greek lobby is fairly strong.

The Greek position in The Hague will be additionally bolstered by traditional anti-American feelings and the desire to restrict the foreign military presence, while the clearly demonstrated strength of the Athens-Belgrade axis will increase Greece's value in the common efforts to bring peace to the former Yugoslavia.

In fact, the goal behind Athens's heightened activity concerning Skopje was attained. Greece has succeeded in showing that, although it is ready to begin a dialogue, it has not altered its original position of demanding concessions from the Republic of Macedonia. All the rest is merely a skillful manipulation of the arguments.

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General Thinks Croats Capable of Taking Krajina

AU0602204595 Prague LIDOVE NOVINY in Czech 3 Feb 95 p 16

[Article by "gag": "To Save the Blue Berets, the Military Is Even Ready To Use Aircraft"]

[FBIS Translated Text] Prague—The plan for the withdrawal of the Czech UNPROFOR [UN Protection Force] contingent (970 people) from the Serbian-occupied Krajina has been in preparation at the General Staff for a year now. General Karel Kuba, infantry inspector, told LIDOVE NOVINY this in response to the decision by the Croatian parliament to withdraw the mandate of the UNPROFOR forces on 31 March.

The General Staff has three alternatives for the blue berets' transportation—by ground, air, and sea. "The most efficient method will take priority," Kuba specifies. The decisive criterion for pulling the Czech soldiers out of Krajina will be, according to the general, their safety. It is irrelevant whether it will be an operation of several months with the removal of all the equipment, or a rapid departure, in which event the soldiers would leave their equipment in Krajina. Nevertheless, Kuba doubts that UNPROFOR will leave the region. If that occurred, after all, it would also depend on a UN decision as to whether the blue berets would leave the Balkans altogether, or transfer to Bosnia or Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. The general admits that some soldiers could then change their minds about remaining with the mission. After all, supplies would be worse in Bosnia.

General Rostislav Kotil, commander of the 4,000 blue beret contingent in Balkan Sector South, also admitted that his staff has alternatives for their departure from the Balkans (including a rapid departure under pressure from a large-scale conflict) all planned. He adds, however, that he sees the only solution in continuous talks between the antagonistic parties under UN supervision. This was successful even in Sector South, where the truce between the Serbs and the Croats has been in effect since 29 March 1994.

General Kuba claims that if our soldiers were threatened by an escalation of the conflict, the army would use all means, including helicopters and aircraft, to pull them out of danger. The men, currently preparing themselves in Cesky Krumlov for the April changeover, expect that if need be, they will assist in the departure of the Czech contingent from Croatia.

Croatian President Tudjman have given a deadline of 30 June. According to Kuba, Croatia has an army well enough trained to be able to force Krajina to accept its territorial demands. Nevertheless, the general does not believe that this would pass without a response from the Serbs.

NATO Membership by 2006 Envisaged

LD0602222595 Prague Radiozurnal Radio Network in Czech 2200 GMT 6 Feb 95

[FBIS Translated Text] According to Minister of Defense Vilem Holan, the Czech Republic will join NATO before the year 2006.

Minister Holan said this shortly after his return from the seat of NATO in Brussels. He added that it is possible that the Czech activities in the Partnership for Peace program will be so high that they will virtually equal NATO membership.

Prime Minister on KDS, Situation in Coalition

AU0602203295 Prague LIDOVE NOVINY in Czech 3 Feb 95 pp 1, 3

[Interview with Czech Prime Minister Vaclav Klaus by Eva Martinkova; place and date not given: "I Would Like Something More Profound Than a Coalition With the KDS"]

[FBIS Translated Text] [Martinkova] You have a tendency to make light of domestic scandals. Do you not think, however, that the events ignited by Jan Kalvoda are damaging the Czech Republic's reputation abroad?

[Klaus] Of course, they are damaging the Czech Republic's reputation. Nevertheless, I feel that I should set a more mollifying tone at home; I cannot conceal this. It is a pity that this happened at all. The spuriousness, pointlessness, and groundlessness of this matter is, I hope, so obvious that the overwhelming majority of citizens realize this.

[Martinkova] There are rumors about the formation of a postelection coalition without the Civic Democratic Party [ODS]. Are you allowing for such a possibility?

[Klaus] I have no doubts that some people would like to try something in our country that is jokingly called the Slovak model—that is, an attempt to form a very chaotic, completely polarized, and ideologically altogether toothless government without the political party that wins the most votes. Some people are dreaming about and contemplating this. However, I believe that these people are only dreaming, and, when they wake up, they will ascertain that they really cannot be serious about this.

[Martinkova] The ODS has never made a secret of the fact that, within the coalition, the Christian Democratic Party [KDS] is closest to it. Have the recent events strengthened your relations?

[Klaus] The KDS really is, was, and, I believe, will be closest to the ODS. The more troubled moments are always a test. The discussion about principle No. 37 of the university law is not a test, although it may seem that I am conducting an impassioned debate on it with Minister Pilip at government meetings. However, this is

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a debate on a matter-of-fact point of view, not a political clash. However, at the moment of truth, relations between the KDS and ODS are always very fair. The two parties are really in the same boat.

[Martinkova] Is it possible, then, to think about an election coalition?

[Klaus] I would not like to make a prediction. But, of course, I would like there to be something more profound than an election coalition.

[Martinkova] You have received an invitation from President Clinton to visit the United States in May. Were you expecting this?

[Klaus] I expected the invitation, but, for some time now, we have been looking for a suitable date. I held no talks at all in the United States last year; I was only in Boston for a weekend to accept an honorary doctorate. So, this invitation was fitting. It should be a four-day visit; two days should be spent in Washington where I will meet President Clinton and leading representatives from the U.S. Congress. Meetings in institutions that must still take an interest in us, such as the International Monetary Fund and the World Bank, are also envisaged. I will also receive the Democracy Prize for the Czech Republic's political, economic, and cultural successes in 1994, which I have not had a chance to accept. I will combine my visit to the United States with a lecture at Harvard University, to which I was invited last year. I will spend one day in Chicago, which will also be combined with a lecture at the university.

[Prague DENNI TELEGRAF in Czech on the same date on page 3, under the headline "For Many People, Klaus Is To Blame for Everything," carries a 900-word interview with Vaclav Klaus by Viktor Krejci, the place and date of which are not given. This interview includes the following two questions and answers:

"[Krejci] There has been speculation recently that there could be a coalition between the Czech Social Democratic Party [CSSD] and the Civic Democratic Alliance [ODA], and conceivably, the Christian Democratic Union-Czechoslovak People's Party. Is this possible? What is your opinion of the meetings between Jan Kalvoda and Josef Lux and Mr. Zeman?

"[Klaus] I do not understand these meetings. Certainly, we have a democratic system and people can meet whoever they want. But, if the chairman of one party meets the chairman of another party in the apartment of a very particular politician from a third party, then, to say the least, this raises some eyebrows. It also provides a reason for widespread speculation by every commentator on domestic politics. Despite this, however, I think that, when push comes to shove, certain political parties in the current governing coalition will again remember on which side of the political spectrum their place is. Therefore, I do not view the future with too much anxiety.

"[Krejci] In your opinion, is there a tendency within the coalition not to deal with matter-of-fact issues, but rather to put up some kind of resistance to the ODS?

"[Klaus] I do not know whether this is resistance to the ODS. We are, perhaps, narrowing it down and personifying it too much. This is simply resistance by the smaller parties to the stronger parties. If this party were called something else and if it were led by someone else, this resistance would be absolutely the same. I believe that if Mr. Zeman and the CSSD were at the forefront, then the ODA would perhaps invite us to lunch too. However, obviously not to Mr. Vlcek's, but somewhere else."]

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Concern About Citizens' Right to Information

LD0302223795 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 3 Feb 95

[FBIS Translated Text] The participants in the anniversary meeting of the Slovak Helsinki Committee expressed their concern about citizens' right for information being breached.

In the declaration concerning the current situation in Slovakia, they pointed out an attempt to monopolize electronic media and a danger of reducing the number of independent dailies subsequently to the government coalition's intention to raise the value-added tax. They also voiced serious worry about putting party membership above professional qualifications when implementing personnel changes. They were also concerned about casting doubts over the institutions of presidency and constitutional court.

The participants in the meeting reelected Julius Strinka as the chairman of the Slovak Helsinki Committee.

Hungarians See Basic Treaty Signing as Premature

LD0602171395 Budapest Kossuth Radio Network in Hungarian 1400 GMT 6 Feb 95

[FBIS Translated Text] Miklos Duray, chairman of the Coexistence Movement in Slovakia, says that it would be premature to sign the Slovak-Hungarian basic treaty by the end of March, as planned. Miklos Duray fears that the document would be nothing more than an empty piece of paper.

If the treaty is not similar to the Austrian-Italian state treaty, the Hungarians in Slovakia will be of the view that Budapest has exposed more than 600,000 Hungarians to the Pozsony [Bratislava] government, which is moving toward extremism, the politician told UJ SZO.

Bela Bugar, chairman of the Hungarian Christian Democratic Movement, agrees that the date is too early, because they may not be consulted about the basic treaty.

Laszlo A. Nagy, chairman of the Hungarian Civic Party, agrees with the Hungarian Government that time should not be wasted if the treaty can be concluded. However, he added that the text of the document is not known to the representatives of the Hungarians in Slovakia.

ZRS's Luptak Advocates 'Neutrality' for Republic

AU0702085595 Prague MLADA FRONTA DNES in Czech 4 Feb 95 p 9

[Article by Karol Wolf: "Jan Luptak Would Like Neutrality for Slovakia"]

[FBIS Translated Text] Bratislava—According to Jan Luptak, deputy chairman of the Slovak Parliament and chairman of the Association of Workers of Slovakia (ZRS), Slovakia should remain neutral both politically and from the point of view of its security.

"In my opinion, Slovakia has a different status, and I see it in neutrality," said Luptak in an interview for the most recent issue of the nationalist-oriented weekly ZMENA, which is inclined toward the governing coalition. Luptak's declaration directly contradicts the cabinet's policy statement, which acknowledged categorically Slovakia's orientation toward the European Union and NATO, while Prime Minister Meciar also repeatedly emphasized this tendency in an interview for Slovak radio. According to the workers' leader, his party is not bound by the government's policy objectives and is formulating its own foreign policy despite being a member of the governing coalition.

"We are now working on the blueprint of our foreign program and, in this context, we support the view expressed by European workers' parties—not to flock into the European Union at any price," said Luptak whose party, after holding talks with the French Labor Party, recently drafted a communique in which it says, among other things, that "the European Union's policy will lead the world back to barbarism."

Luptak also said in this connection that referenda on joining the European Union were passed in many European countries by only a narrow majority and in some of them, according to him, "were repeated under pressure." "I am asking whether a country where almost half the people are not interested in the European Union can be satisfied," said Luptak, and he added that he understands those states that do not want to let themselves be dictated to.

Representatives from another coalition party, the Slovak National Party (SNS), also often express themselves against Slovakia's integration into the European Union and NATO and only the strongest governing entity, the Movement for a Democratic Slovakia, has a clearly pro-Western foreign program.

Its chairman and the prime minister, Vladimir Meciar, emphasizes repeatedly that the views of its coalition partners from the ZRS and SNS have no influence on the government's endeavor to continue in Slovakia's integrative efforts. In this connection, one of the opposition representatives, Milan Knazko, declared recently that Luptak and SNS Chairman Slota are merely stating out loud what is characteristic of the entire governing coalition. According to Knazko, the government is really not interested in integrating into the European Union and NATO.

Kozlik Discusses Government's Economic Plans

AU0702101795 Bratislava HOSPODARSKE NOVINY in Slovak 2 Feb 95 pp 1, 4

[Interview with Sergej Kozlik, deputy prime minister and minister of finance, by Alena Melicharkova at

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Soporna, in southern Slovakia, on 22 January: "When Recession Will Ask What We Did During the Boom"]

[FBIS Translated Text] Deputy Prime Minister and Minister of Finance Sergej Kozlik is now perhaps the busiest government member. He is coordinating financial experts' work on the draft state budget and, naturally, also their first steps in the government's economic policy regarding both domestic economic and foreign trade issues. Immediately after government members' talks with representatives of trade unions, employers' associations, and banks [at Soporna on 22 January], he replied to HOSPODARSKE NOVINY's questions concerning the government's intentions in economic policy:

[Melicharkova] Following the parliament meeting on the government policy statement, you have conducted economic talks with representatives of trade unions, employers' associations, and banks. How will the results of these talks become reflected in the government's economic policy?

[Kozlik] In our talks with the social partners, we have arrived at a consensus regarding our orientation. We find ourselves in the phase of a worldwide boom, which provides Slovakia with two options. We can either waste the resources that economic recovery brings in wages and consumption, in inordinate liberalization in the social sphere, or in the inconsistency of reform steps, or, what is the other possibility, we will make use of the impetus provided by the boom to revive the economy. A future recession is going to ask us what we did during the boom. Even trade unionists adopted an understanding attitude regarding this issue. It really is necessary to take advantage of this favorable moment, in which Slovakia has a certain opportunity to use the boom to mobilize our reserves and channel them into the sphere of investments, in order to start as soon as possible to restructure capacities that stand no chance of success in the long term, to modernize and mobilize everything that can help promote exports and make Slovakia competitive in the future. It is important—and we have reached consensus with the social partners on this—not to squander the resources that we are now able to generate. On the other hand, it is also important to rid Slovakia of the burdens of the past.

Banks and Their Reserves

[Melicharkova] This was one aspect of your talks. But you have also had meetings with bankers and economists. Did they yield any specific conclusions?

[Kozlik] We consider the question of the banking sphere's credit portfolio to be a special problem requiring the fastest possible solution. When we speak about a recovery process, it is necessary to initiate it somewhere. Once again, a general consensus has been reached that, with regard to the problems of insolvency and frozen financial flows, the first step must be taken in the banking sphere. We want to agree on a mechanism with the National Bank of Slovakia [NBS], the Ministry of Finance, and commercial banks, and find ways of reinforcing the banks' reserves. The banks themselves would then determine, and seek out in the company sphere, partners who they believe have certain prospects, and could then write off their burdens from the past. In this way, the banks could improve their own position and, at the same time, improve the position of a company by writing off some of its liabilities. At the heart of this procedure would be tax exemption for resources covering risks contained in the banks' claims, the so-called depreciation reserves [opravky]. This step would also be supported by the IMF. Originally, we contemplated that budget revenue would be 1 billion korunas [Sk] lower on account of this. But after the discussion here at Soporna, I and my collaborators will seek ways of arriving at a sum of Sk2-4 billion. If we want to achieve a breakthrough, such an operation will have to be repeated for three to four years. This major operation will require clear mechanisms. The NBS, together with the commercial banks, must expeditiously prepare, and submit to the Ministry of Finance for assessment, a system that will allow us to provide for this operation in the state budget.

[Melichark[illegible]] The questions of companies' insolvency, their fin[illegible] discipline, etc. also arise in this context....

[Kozlik] We are bringing to life again the law on the settlement of insolvencies in the broader sense of the word. We want to incorporate into it provisions that would introduce stricter financial discipline. This is also how the improvement of the banks' portfolio must be understood. We have solicited the first comments on the draft law on the settlement of insolvencies. The draft has been essentially accepted and it is possible that it will get onto the government's agenda in the course of February and will be submitted to parliament shortly thereafter.

[Melicharkova] Questions of taxation and the possibility of using taxes to assist the policy of recovery represent a specific problem....

[Kozlik] Together with entrepreneurs, we intend to reassess the question of burdening exports with value-added tax. We also intend to consider in the tax base for the corporate income tax only genuine income, and not fictitious income. This is similar to our intentions in the banking sphere. Essentially, we would refrain from levying taxes on so-called profit on paper. There has been talk about this for four years but nothing has been done. I think that this problem cannot be dealt with in blanket fashion, but must be spread over two or more years. We are starting with the banks and, gradually, intend to carry this over into the company sphere.

Investment and Indirect Support for Investment

[Melicharkova] Have you come to an agreement with experts from the economic and banking spheres on the intended development of public investment projects? What steps will the government take in this regard?

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[Kozlik] We assume that in the course of this year we will propose an amendment to the law on income tax in support of investment. We intend to work out a specific regime for the valuation of public investment projects and the decisive inputs into them. As public resources will be used, the system of public procurement will have to be consistently used, which prevents development in this sphere from being misused for the excessive expansion of basic inputs. We have agreed to work out a proposal for the indirect support of investment, particularly from the viewpoints of regional development, the development of small and medium-sized enterprises, and infrastructure and restructuring projects. The pooling of resources will be the condition for any support [from the state].

[Melicharkova] Are there any deadlines for preparing the relevant proposals?

[Kozlik] Most of them should be ready in the first half of the year.

Budget Risks

[Melicharkova] In discussions on the state budget and monetary policy, polemics revolve around the financing of infrastructure projects. Has any clarity been introduced into this intention?

[Kozlik] We want to work out a regime for financing infrastructure projects in cooperation with the NBS. I do not think that we are in disagreement with the IMF either. We say that these projects will be financed from extrabudgetary resources. The costs will be projected in the servicing of the state debt. We intend to vigorously reduce the state debt—by over Sk30 billion annually. When we embark upon public investment projects worth Sk10 billion, for example, on the one hand we will have reduced the state debt by Sk30 billion and, on the other, it will go up by Sk10 billion. On balance, the state debt will still decrease by Sk20 billion. What matters is that we are reducing items, for the greater part of which no responsible body [nositel] exists, items that had been used up long ago. Even though public investment projects will increase the debt, they yield a return in the long term, or they further develop activities that yield a return in the short and medium terms. As a result, the structure of the debt will substantially improve while, on balance, the debt will decline.

NBS Reacts Calmly

[Melicharkova] This intention has provoked discussions among experts, who often refer to the danger of printing money....

[Kozlik] If we have labelled this a special issue [of money], this was because it brings with it a certain increase of gross domestic product. The NBS always reckons with a certain growth of gross domestic product, to which it adds inflation and thereby arrives at a basic monetary policy framework. Hence, this money will be issued within the framework of the normal credit package, which takes into consideration the development of gross domestic product. Money issue is always hidden behind it. We may not have chosen the proper terminology, for which we have been quite severely attacked. You should pay heed to the reaction of the NBS, which is calm. It does not complain that we are pushing it into an excessive policy. Quite the contrary, I would say that it is the NBS that is pushing us to take measures with regard to restructuring the credit portfolio. Let us accept that pragmatic considerations decide, rather than some political motives. Of course, the plan to develop public investment projects entails the need to comprehensively prepare a whole range of public investment programs. I repeat this to avoid insinuations that we are going to base the 1995 economy on the development of public investment projects. These projects are only to serve as an impetus to make use of capacities that the common entrepreneurial principle of investment is unable to utilize. A highway or the Zilina hydroelectric power project cannot be built on the basis of common entrepreneurial investments. This impetus is not exaggerated and will be kept within reasonable bounds also in terms of valuation and financing.

Focus on Exports

[Melicharkova] Could you specify the impetus that you intend to give with regard to proexport policy?

[Kozlik] The demand has been formulated that the government work out an active concept of policy on foreign economic relations, including specific measures. This concept should be marked by a strong proexport orientation. During the talks at Soporna, the problem has repeatedly been raised that enterprises do not have access to resources, as well as the problem of granting bonuses [bonifikacia]. There are companies that do not depend on credit resources. There are 8 to 10 such companies, which account for 60 percent of Slovakia's exports. True, it is necessary to deal also with the issue of granting bonuses to them because, even though they run at almost 100 percent capacity today, they could still increase their export volume by 10 to 15 percent. But more important is to seek ways of stimulating further growth of exports by those who export very little and have great untapped export potential. The Employers' Association has proposed the establishment of an export support fund, which could contribute to funding commercial services abroad. It would be funded by a certain levy imposed upon export proceeds. Through the fund, the more successful exporters would thus contribute to stimulating exports by the weaker exporters.

[Melicharkova] Could you explain the aforementioned bonuses in more specific terms?

[Kozlik] Even though the costs of establishing trade representations abroad are considered in the overall economic result, a part of the resources pooled for this purpose could be written off once again from the tax base. This would represent a bonus. The written-off sum would be multiplied in some way. I do not want to go

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into great detail, because this is a question that will be dealt with in the coming weeks.

[Melicharkova] Are you not afraid that the state budget will be deprived of badly needed revenue in this way?

[Kozlik] This is, indeed, my fear. But we are not proceeding on all fronts. We will proceed gradually. But this approach is definitely better than an across-the-board tax cut. As soon as we ascertain that this method is no longer functional, that we have exhausted this instrument, we will opt for a percentile cut. At the end, there will be an across-the-board tax cut. However, as long as we lack the resources for such a cut, we have to proceed selectively. In foreign trade relations, we want to beef up the Slovak Export Insurance Company, whose transformation into an exim [export-import] bank has been contemplated. Personally, I believe that such a transformation would now be premature. But views to this effect have been voiced and we are going to deal with them. It is a fact that, in advanced countries, exim-banks are involved in these foreign trade matters because they have the advantage of being able to operate on the territories of other states.

Budget and Debt-Servicing

[Melicharkova] You have promised to submit the draft state budget for 1995 to parliament in the course of February. The main bone of contention in the draft budget worked out by the preceding government was debt-servicing. In the provisional budget [for the first quarter of 1995] prepared by the present government, the debt is being serviced by means of payments from the budget. According to some experts, it would pose a serious risk if this system of servicing the debt were to be applied also in the state budget for the whole year.

[Kozlik] I believe that we will stick to the philosophy that we used in the provisional budget. That is, the philosophy of not increasing, but decreasing, the state debt. The other aspect of this philosophy is improving the structure of this debt. This goal can be accomplished, but it will place immense demands on the austerity of the state budget. As I have already mentioned, we are looking for ways of transferring the costs of developing infrastructure into debt-servicing, but the sum transferred will be substantially smaller than the amount that will be written off the state debt. This is our fundamental logic and, in my opinion, it is also a novelty introduced by this government. It will be difficult, of course, because it will be necessary to change the way civil servants but, frequently, even the expert public approach this problem. The discussions in which we are engaged are tough but I believe that, gradually, we are arriving at results.

[Melicharkova] The draft state budget is usually consulted with the IMF or with the World Bank. What are their ideas regarding this year's budget?

[Kozlik] First of all, we foresee a certain growth of revenue, Sk8-9 billion more than were projected by the previous government. The IMF considers this approach acceptable, it does not consider the revenue side of the state budget exaggerated. Naturally, this is connected with the instruments that we must unconditionally launch in the coming period—public investment projects, the introduction of electronic cash registers, a more rigid tax and financial discipline. The other side is the expenditure side. True, you can save here ad infinitum but the number of outstretched arms is dreadfully high. The question of insurance companies entails the greatest risks, in defiance of the positive steps that have already been taken. The state has increased its own contributions that it pays for certain categories of citizens. We also want to introduce some austerity elements, such as monitoring hospital costs or continuing the health care reform. There are pressures for wage increases, there is the newly opened problem involving the restructuring of banks, and cities and communities, too, are raising demands, some of which are almost on the political plane. From this viewpoint, the expenditure side is always most complicated. It requires tedious negotiations and gradual persuasion of one's partners that there is no other way but to abide by the expenditure structure of the budget. While the budget will not be as tough as the provisional budget, it must continue to be thrifty.

[Melicharkova] I will pick up where you ended—with the issue of wages. There is great discontent among teachers or health care employees, for example. Is it possible to find resources to satisfy their demands?

[Kozlik] I am involved in negotiations. We promised that we would seek certain solutions. But these solutions will have to be linked with a selective approach. With regard to the community of teachers, wage increases will have to be pegged to the level of qualification and qualification improvements. In the case of physicians, the basic solution lies in accelerated transformation and privatization. The level of resources hidden in privatization is such that, in the Czech Republic, for instance, it has led to a marked differentiation in physicians' salaries, which are already quite respectable.

[Melicharkova] Why did you not use the opportunity to personally present the government's program at the World Economic Forum in Davos?

[Kozlik] The government policy statement has been translated into English. It has been sent to all embassies and we will familiarize important institutions with it. Our delegation in Davos, which was led by the minister of economy, also presented the government's program. As for myself, I am now finishing work on the draft state budget. The first working draft will soon be submitted to a government meeting.

Tripartite Council Approves General Agreement

AU0702084195 Bratislava PRAVDA in Slovak 3 Feb 95 p 1

[Article by Martin Krno: "Big Compromise Has Been Born; After A Tough Battle, the Tripartite Council Approved the General Agreement for 1995"]

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[FBIS Translated Text] Bratislava—"The conclusion is quite simple, we have agreed on everything. The General Agreement has been born!," Deputy Prime Minister Jozef Kalman, chairman of the Council of Economic and Social Accord, told journalists after yesterday's meeting of the Council.

After complicated talks, the social partners acceded to a compromise. The government gave up the initially proposed wage regulation and the trade unions dropped their demand for price regulation, for which they would push if the government insisted on regulating wages. The tripartite partners are to initial the General Agreement for 1995 on 6 February, provided that the government, the Confederation of Trade Unions [KOZ], and the Union of Employers' Associations (AZZZ) approve the agreed wording of the document by then. The agreement could then be officially signed on 15 February.

KOZ Vice President Vaclav Stevko characterized yesterday's talks at the Slovak Government office as a "tough battle." Controversial issues had to be settled in a narrow circle of the tripartite's top representatives. "I am able to say that we have essentially fulfilled the basic task laid down by the KOZ extraordinary assembly—not to back down from certain critical points. Wage regulation will not be implemented in the originally proposed form. On the other hand, we gave up our demand that the social fund be raised. There exist other mechanisms of reaching that goal." The social partners agreed that the government would not implement the restriction of wages that are enacted in collective agreements. Should, however, indications appear that a radical increase in salaries threatens to fuel inflation, or that managements lead companies into losses by means of wage increases, a tripartite meeting will immediately be convened to take countermeasures.

With regard to disputes about items serving to satisfy collective agreements, AZZZ Vice President Frantisek Slavik admitted that this was among the most serious problems in the preceding period, and also in negotiating the 1995 General Agreement. The Council of Economic and Social Accord discussed this exceptionally important issue last week and yesterday, and the Ministry of Finance on 1 February. The ministry promised that it would refrain from levying extra taxes on benefits granted by companies to their employees through collective bargaining.

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Outgoing Minister on Differences With Horn

AU0602152095 Budapest HETI VILAGGAZDASAG in Hungarian 4 Feb 95 pp 9-12

[Interview with outgoing Finance Minister Laszlo Bekesi by Aniko Szanto; place and date not given: "Laszlo Bekesi on the Separation: Excellent Person"]

[FBIS Translated Text] The finance minister did not break with his prime minister as a result of sudden emotions—and vice versa. Gyula Horn and Laszlo Bekesi have never agreed on basic economic issues, to such an extent that this also made their personal cooperation impossible, says Bekesi in an interview to HETI VILAGGAZDASAG. The "program maker" resigned on 28 January but will stay in office for another month.

[Szanto] In which areas did the prime minister condemn the ministers at the evaluating sessions of the government and then of the the Hungarian Socialist Party [MSZP]? What were you criticized for?

[Bekesi] No personal assessments were made at these forums, but the criticism of economic policy was directed toward the Finance Ministry. The prime minister said that the national economic forecasts are unreliable. All areas of privatization were criticized. The prime minister does not really expound the third critical element but one can very well guess it: Not for a moment has he ever fully accepted the economic policy that I wrote down in the MSZP's program and which was also included in the coalition agreement and the government program. Somewhere secretly, he always trusted that a better alternative exists that can save or radically reduce the afflictions associated with stabilization and lead to faster growth and bigger redistribution possibilities.

[Szanto] Let us take them in turn! The prime minister questioned you about the "accuracy" of the 1994 supplementary budget and the time wasted on it, as some people say.

[Bekesi] I would like to see the person who, in Hungary today, with the given data base and knowing the economy's ability to react, can give a better forecast than ours. By the end of 1994, we had a current payment balance deficit of some $4 billion. Without the supplementary budget, this would have reached $4.4 billion, and I still believe that it would have been better to make more improvements in the budget. In addition, this work did not take any time away from preparing the 1995 budget because it would have been almost completely impossible to draw this budget up without the supplementary budget. None of the ministries were inclined to accept a reform-oriented budget for 1995.

[Szanto] You should have offered the state administration's reform concept to parliament last year, but this was not done. Did you not venture into something that was impossible from the outset? With 25 years of experience behind you, what made you think that the state apparatus, which has many counter-interests, and the trade unions would be partners to your changes?

[Bekesi] I have never thought this. Learning from the failure of the Kupa-program, I tried to place the 1995 draft budget on a forced course, and set limits for the ministries thereby forcing them to adjust their professional programs to the possibilities. With hindsight, it is perfectly obvious that this idea was doomed to failure because the ministries, rather than drawing up professional programs, applied the often mentioned lawnmower method: They cut a little off everything. At the same time, it is clear that this was the last year when a budget not backed by professional programs could be pushed through. For this reason, this week, we—with the Finance Ministry's leadership—will begin going full steam ahead to renew the state administration, and I will hold the first session of the state administration reform committee.

[Szanto] But you are only a "caretaker" finance minister.

[Bekesi] I am a finance minister with full rights who will work until he is relieved. The date for this is 28 February. The reform work cannot wait another month because of me.

[Szanto] Did the prime minister complain that the economy's three-year consolidation program had not been drawn up before the talks were started with the IMF and the Interest Coordination Council last autumn?

[Bekesi] No, because the government program was complete. However, in addition to this, the idea of another modernization program that is still muddled even now emerged in September 1994. The "distribution of labor" as it seems would be the following: The Finance Ministry should struggle with the unavoidable stabilization; meanwhile, somewhere, certain people will draw up an attractive image of the future and define which industrial branches should be developed. They want society to accept this plan. I am worried precisely because, implicitly, this thing is an alternative economic policy. At least this is what the prime minister and many others in the MSZP expect from the modernization program. For example, at the parliamentary group session in Siofok, Horn said—and this is the first time I actually heard this—that the government would submit an 8-to-10-page draft bill to parliament in April on the tasks to be drawn up by the modernization program.

[Szanto] If the modernization program is the biggest problem for you, then why was your resignation linked to the fact that Horn insists on creating a privatization minister position?

[Bekesi] It is a mistake to believe that privatization was the breaking point. At the most, this is how it appears on the surface. I had three basic problems. We have already spoken about the first: namely, that I cannot see a determination in the economic policy to implement the

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measures that conform to the changed circumstances and strengthen stabilization.

The second is privatization strategy itself. The debate is still over the basic questions, although the draft bill is ready: whether this issue should really progress toward a decentralized and business-type privatization whose rules are laid down in the law and, from this point on, apart from some strategic areas, the government does nothing but supervise; or whether the government should directly intervene in the privatization process as was done in the case of the HungarHotels [hotel chain]. This latter view is getting stronger in the MSZP parliamentary group, just like the following view: The domestic middle classes do not have enough financial resources; therefore, let us give them some. The representatives of this view believe that privatization is not simply an economic goal and means but rather a hard political factor. This will determine whom the middle classes that do not yet exist will consist of. Some Socialists say almost the same as what [former finance minister] Ivan Szabo said at the time: "People whom we like will receive state assets." For this reason, I think it is a realistic danger that predetermined groups will profit from the distribution of the state assets. The merger of the Hungarian Credit Bank Inc. and the National Savings Bank, and the Trade Bank Inc. and the Post Bank would, for example, be completely contrary to the way we would like to privatize the banks. However, these proposals enjoy the prime minister's backing because this is what someone from the background suggested to him—in addition to the fact that the directly interested parties are also lobbying for the merger. I am also convinced that, to save Borsod county, it cannot be a solution to create, in place of the existing bad steel industry, a not-so-bad one that employs fewer people, is definitely loss-making, and costs some 20 billion forints.

My third problem is who should deal with the economic policy. In my view, the economic bankruptcy we have now can be successfully managed only if the economic policy is in a single hand. However, the prime minister is deliberately trying to create counter-poles in the government, to make the various economic policy views also clash within the cabinet. The privatization and integration ministers would be the counterpoints to the Finance Ministry. Although the integration minister would not have much to do for two years in the area of preparing integration, this would, however, reincarnate the Ministry of International Economic Relations.

[Szanto] In your view, where does your personal antagonism with Horn stem from? Is it the fact that you both aspired to be prime minister?

[Bekesi] By now, I also have to realize that the tough debates conducted in public almost two years ago in connection with the Socialist promises made in a paid advertisement in August 1993; and then the MSZP's program preparation, the election campaign, setting up the coalition and the government, and then drawing up the government program, were too tough and deep not to have left scars in personal emotions.

To say that I aspired to the post of prime minister is not correct. This never occurred to me. Other people thought of it as a possible alternative to Horn. This was a difficult issue for him to handle or accept even then—and probably now, too, because, from the beginning, our debates were mostly conceptual: What should be the contents of the coalition pact; whether we should have a social-liberal coalition or a different coalition. These rock-hard issues never ended up in a personal quarrel but they created a mutual mistrust, and we are constantly looking for the hidden thoughts of the other. In a difficult economic situation, this kind of relationship strongly hinders the cooperation of the prime minister and the finance minister.

[Szanto] All in all, why was it precisely now, when the financially impossible situation that you predicted is looming, that you tossed in the towel. Are you retreating or are you making room for people seeking a different solution?

[Bekesi] I am not in the habit of retreating, even if I am very much on my own. Naturally, it did not make me happy that I played the role of the devil, the root cause of all evil, and the wicked treasurer, while we had a wise and good king. I intend my demonstrative departure to be a warning that the governmental work cannot be continued in the current way, that a change is needed. The prime minister will have two possibilities. One is that, without losing any prestige, he can spearhead the consistent implementation of the program whose basics I created, if he accepts my assessments, forecasts, indications of danger points, and in which directions the corrections should be made.

The other possible scenario is that an alternative economic policy that I do not know or do not agree with does exist, which indeed risks a faster and unsecured growth that can be financed from somewhere. I do not know from where but there might be one like this. In this case, Bekesi will not prevent the change of the economic policy program. Either of these two will be more successful than what we could achieve in the government amidst our constant debates.

[Szanto] If I understand you correctly, it was not unexpected for you that you did not have much support within your own parliamentary group.

[Bekesi] This is not precise. I have some support but not a majority or determining support. I always knew that my program was supported only halfheartedly in the MSZP, because a better program does not exist. During the debates, it was proved that only one person had a more-or-less consistent idea about this bankrupt economic estate—and that was me, although today it is said that the program was the result of collective work. Indeed: I wrote it and they criticized it.

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[Szanto] The Alliance of Free Democrats [SZDSZ] does not seem to be supporting you personally, either.

[Bekesi] It cannot do so, and I cannot see anything negative in this. Very correctly, the SZDSZ's only chance is to tie the coalition to a program rather than a person. I would be most in despair if my step created a coalition crisis because, if there is anyone who seriously believes that anarchy would definitely await the country without this coalition it is me.

[Szanto] After meeting Horn and President Goncz on 30 January, [SZDSZ Chairman] Ivan Peto said it would be best for you and the prime minister to have another talk. What do you think of this?

[Bekesi] I do not see this as a realistic alternative, for two reasons. Many well-intentioned and somewhat naive colleagues in the parliamentary group also said with honest shock: Horn and Bekesi should be locked into a room and only allowed out when they agree. However, this would only be a possible solution if personal conflict were the basis of our clashes. However, we have deep-rooted differences of principles. This is also clear from the story of my resignation. Horn arrived at the Siofok parliamentary group session with very clear and definite ideas, and categorically outlined a development direction, on some points of which we have huge differences. He also precisely knew that I had no other option but to express my disagreement. He did not hesitate to accept my resignation, did not initiate any discussions. I think that he had thought out what to do, just as I did not invent the action I should take on the spot, either. I meditated for weeks and arrived at this conclusion. At this moment, it is still honest to say that: here, you should try something different without me!—rather than to assist something I do not agree with.

[Szanto] What is your advice to the finance minister who succeeds you?

[Bekesi] I hope that there will be one who can survive. Learning from my own failure, I certainly recommend that he should not, on his own, take responsibility for the consistent measures. He need not take sole responsibility. This should be a governmental job. To the outside, he should try to say less that is negative and take on more concrete actions.

Goncz on Political Situation, NATO Membership

BR0602152495 Milan CORRIERE DELLA SERA in Italian 6 Feb 95 p 6

[Interview with Hungarian President Arpad Goncz by Sandro Scabello in Budapest; date not given: "Reds Will Not Come Back; Hungary Moving Forward"]

[FBIS Translated Excerpt] *Is Hungary moving away from the market? Is [Prime Minister] Gyula Horn's government putting its foot on the brake? Are the reforms in danger? These and other pressing questions were posed to Hungarian President Arpad Goncz at the international meetings in Davos by interested interlocutors, who were disappointed and worried, in view of the resignation of Socialist Finance Minister Laszlo Bekesi, a convinced reformer who has decided to step aside after a tough clash with his party on privatizations.*

"No, the ferocious Reds have not come back with the hammer and sickle," Goncz smiled. "The people who dismantled the party state have no intention of rebuilding it. The first encouraging economic data are coming through after three years of recession. Hungary wants to continue to grow. Fifty percent of investments in the postcommunist area have ended up in our country. We will move forward with an even more agile and sophisticated economic policy." [passage omitted]

[Scabello] Social differences are widening. Up to what point are Hungarians ready to put up with the price of change?

[Goncz] They are showing great wisdom and cleverness. During the past four years the system has undergone a radical metamorphosis. The reforms have touched on vital interests, but everything has happened without tensions and strikes. Work stoppages can be measured statistically in a handful of seconds per head.

[Scabello] The Hungarian minority in Slovakia is afraid of the excesses of the nationalist government, and the minority in Transylvania does not feel sheltered from sudden squalls. How are contacts with neighbors proceeding?

[Goncz] In a meeting with Slovak Prime Minister Meciar the foundations were laid for an agreement to be signed in March on open borders, economic cooperation, and the protection of minorities. It also opens up hopes for solutions to the contentious issue of the Danube dam. I very much hope that it will serve as a model not only for Central Europe but also for the more complex relations with Romania—which unfortunately are moving ahead very slowly.

[Scabello] Will Hungary's NATO membership be put to a referendum, as Gyula Horn has already stated several times?

[Goncz] It would be approved with 70-75 percent of yes votes. If undertaken, the referendum will confer greater force and legitimacy to our joining. A year ago Horn, not yet at the head of government, was the first post-Communist leader to come out in favor of Hungarian membership in the Atlantic Alliance, a position he consistently maintains. What is happening? they asked me after the first Russian veto. I replied: Is it NATO that is more afraid of Russia, or Russia that is more afraid of NATO? So much is being said about the possibility of associate status, but no date has yet been fixed. As you know, a lot depends on relations between Moscow and Washington. We can only express our viewpoint, modernize our Army, and confirm our desire to be part of the European security system.

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[Scabello] But the Kremlin is insisting that a NATO expansion eastward poses a threat to Russian security.

[Goncz] We are not afraid of the Russians and we do not view them as enemies. For Hungary it is vitally important to get bilateral trade moving again. A Russia that is wealthy and feels secure is in our interest, as it is in our interest for the Americans and the Russians to understand each other, and for NATO to extend its protective hand over our region. For us NATO represents the anchor with which to cling tightly to the West.

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Walesa News Conference on Council of Elders Meeting

LD0602173595 Warsaw Radio Warszawa Network in Polish 1304 GMT 6 Feb 95

[News conference by President Lech Walesa with unidentified correspondents in Warsaw—live]

[FBIS Translated Text] [Announcer] This is Warsaw First Program. We are now going to the Sejm building. This is Lech Walesa's and Sejm Speaker Jozef Oleksy's news conferences.

[Walesa] Political parties have such opportunities.

[Correspondent] Will you try to persuade? [as heard]

[Leszek Spalinski, presidential spokesman] Just a moment.

[Walesa] I try to persuade and I appeal to you. If there are no changes that are necessary, try to influence, so people who have united and who see this need say there is the possibility. If the government cannot be directly recalled, then the parliament should be dismissed and this will constitute the dismissal of the government. This is legal. Let me repeat this, nobody told me that, even my brilliant lawyer Minister Falandysz. I say this again. I still have a chance to wake up, return or withdraw and veto. If they joined me, it would be enough for the veto to be passed so the budget could be rejected. The lawyers should not speak rubbish. This budget has not been finally passed and can still be rejected. Why are they telling me that I do not have the right or possibility? I have this possibility.

[Correspondent] Mr. President, if there is no change what will you do?

[Walesa] I do what you, all of you and Polish patriots, tell me, but only that which is within the limits of democracy, freedom, and peaceful methods.

[Correspondent] What is it then?

[Walesa] Oh, well. Well, you should not be making jokes.

[Correspondent] You said you will be forced to take steps you do not want to take. What sorts of steps?

[Walesa] Ladies and gentlemen, there are tactics, ways of acting and methods. I cannot reveal these things.

[Correspondent] Mr. President [words indistinct]

[Walesa] If only the parliament made it clear that it cannot change the government or the ministers that it should. Or if it was ready to be dismissed to solve things peacefully, I would be the first to give up. I am ready, because I know there is this need so nobody, including me, can block necessary solutions.

[Spalinski] Thank you ladies and gentlemen.

[Walesa] Well, the final move that may have to be taken if nothing can be done legally and peacefully—I will be forced to suspend my candidacy in the presidential elections. I will be forced to ask for establishing a party that will calmly build foundations for changes in the republic based on greater morality, law, and honesty. So, we are approaching the point I did not want to reach, but I will have to. This may happen at the end of February. If the changes are carried out before that, I will not have to build from scratch the power that will have to carry out the changes in Poland.

[Correspondent] [passage indistinct]

[Spalinski] Thank you very much ladies and gentlemen. You have been listening to president's statements for quite a long time.

[Correspondent] Will you take the GAZETA WYBORCZA daily to court?

[Walesa] Ladies and gentlemen please. You saw what I did. I am a man of beliefs and I have all the solutions figured out. Let me say that again—in the name of the Father, the Son and the Holy Spirit. Amen. I do not have to explain myself, because one of the versions could be like this one. I did not even think. So, the disgusting thing is that freedom is used in such a way. I could have said that I had this possibility and I would not risk anything. I did not even think, but it was in the newspapers. The deputy Sejm speaker [Malachowski] talked about it. I listened to him until 0740, then I left for mass. Maybe he was defending me after that. Maybe I insulted him. If this is the case, I am very sorry, but as long as I was listening I could hear the voice saying that he believed in all that. So, I was hurt that Sejm speakers were not checking information and are associating something like this with the president.

[Announcer] Leszek Spalinski, President Lech Walesa's spokesman ended the news conference. I remind you that it was arranged in connection with Lech Walesa meeting with the Council of Elders in the Sejm.

Olesky, Party Leaders Hold News Conference

LD0602181795 Warsaw Radio Warszawa Network in Polish 1317 GMT 6 Feb 95

[News conference by Sejm Speaker Jozef Oleksy and parliamentary party leaders with unidentified correspondents in Warsaw—live]

[FBIS Translated Excerpt] [Announcer] In a moment we begin a live relay of a news conference by the Sejm Presidium led by Sejm Speaker Jozef Oleksy, after today's meeting of the Council of Elders with President Lech Walesa. Journalists are ready, SLD [Democratic Left Alliance] Leader Aleksander Kwasniewski is present in the hall. I recall that at today's meeting President Lech Walesa appealed for the self-dissolution of the Sejm. The conference is about to begin.

[Oleksy] You all know the course of the meeting between the Council of Elders and the president and you know

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that it went slightly different than planned. This has had an impact on the course of the meeting and the lack of conclusions. The Council of Elders invited the president to take part in its meeting, without the media being present, to thoroughly assess the situation in a working atmosphere and to reach necessary conclusions. The character of the meeting, which in accordance with president's wishes was relayed live, caused the meeting to become a discussion by the president with respective members of the Council. I do not regret this, as it added some color to the meeting, but it also resulted in not much forward progress in the search for solutions. [passage omitted]

[Correspondent] [words indistinct] ...clearly said that either the change of government or the dissolution of parliament. Are you, as leader of the largest parliamentary party, going to take some steps in the direction of meeting these demands?

[Kwasniewski] The meeting with the president was followed by my colleagues from our parliamentary party presidium, and immediately after this conference, we are going to meet to evaluate the situation and to decide on actions to be taken. [passage omitted]

[Correspondent] A question to Franciszek Stefaniuk [Polish Peasant Party parliamentary leader] and Jozef Zych [deputy Sejm speaker]. How are you going to convince Prime Minister Waldemar Pawlak to resign? [passage omitted: Stefaniuk quotes various clauses of the Constitution providing for dissolution of the Sejm or the appointment of new prime minister]

[Correspondent] This is not the answer to my question. Mr. Deputy Speaker, maybe you can tell me whether you are going to convince Waldemar Pawlak.

[Zych] When I meet the prime minister in a moment, I am not going to try to convince him to resign. I am going to talk seriously about the present situation and also about joint actions within the coalition.

[Correspondent] What actions?

[Zych] I want to remind you of the news conference of the Council of Elders after its meeting with the president. [passage omitted: Stefaniuk and Zych refuse to discuss the future of the coalition]

[Correspondent] When is a coalition meeting to be held? And a second question to the Sejm Presidium. Are you prepared to accept the president's ultimatum?

[Oleksy] With some small exceptions, we have presented to the president our unanimous and unequivocal position about the impossibility for the lawful and legal dissolution of parliament at present. I got the impression that the president did not agree fully with this, but this was not discussed in detail. So, I cannot answer your question about our attitude to, as you called it, the president's ultimatum. [passage omitted]

[Correspondent] Is an early meeting of the Sejm envisaged?

[Oleksy] There is no need at the moment. [passage indistinct; crosstalk]

[Correspondent] A question for Mr. Kwasniewski, please?

[Kwasniewski] Yes, please, please.

[Correspondent] When will it be possible to expect a breakthrough in this persistence [as heard], as [words indistinct] said, and what, that is to say in concrete terms, does the SLD intend to take any steps so as to put forward a resolution on a constructive vote of no confidence? What will happen if the Polish Peasant Party [PSL] does not agree to this, and will not wish to forsake Waldemar Pawlak as (?premier)?

[Kwasniewski] I would not wish to reply to any hypothetical questions. I can only recall that the SLD, and also the Social Democracy of the Polish Republic, already a dozen or so weeks ago, spoke of the necessity for a discussion within the coalition on the subject of the strategic aims for this year, on the subject of the reconstruction of the government, on the subject of making the actions of this government more efficient. And so we are not really saying anything new, apart from the fact that the situation is heating up and we are dealing with new facts which did not yet exist a few weeks ago.

I hope that our coalition partners from the PSL will now meet our proposals half way. I have to say however that just before the meeting with the president, I had a phone call from Mr. Michal Strak, who cancelled the meeting of the coalition today, asking that Monday, that is today, should be used for internal talks within the PSL and the SLD. This is going to happen. In a moment we will start a meeting of the presidium. On the other hand, I judge that within the coming days there ought to be a clear concept for precisely what ought to be done so as not to lose time on these sorts of discussions that we have held today, for there are sufficiently many of these signals to be able to draw conclusions from them and undertake decisions. And well, I think that this state of persistence and uncertainty ought also to be resolved over the next few days, in the framework of the coalition, within the coalition.

On the other hand, I cannot speak of any deadlines, since they are not determined. Simultaneously, Deputy Bugaj calls upon me to cancel the meeting of the constitutional commission tomorrow. I wish here to state, with full force, that the meeting of the constitutional commission planned for 7, 8, and 9 February will take place, and we will there be discussing the successive articles of the first and, probably, the second chapters of the unified text of the constitution draft that is under preparation. And I very much request that Deputy Bugaj take part in this, for the first chapter is of the authorship of the subcommission that was directed by Deputy Bugaj.

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[Bugaj] I must just say here that I made this appeal on account of my own private problems with being present, and not for any others.

[Zych] Ladies and gentlemen, I wish to tie in to the speech by Mr. Kwasniewski. I am convinced that a meeting of the coalition ought to take place quickly, and I wish to inform you that a meeting of the Supreme Council of the PSL has been called for Friday, that is, 10 February. These matters regarding the present situation will undoubtedly be a subject of the deliberations, just as will the preparations for [words indistinct]. [passage omitted]

[Correspondent] A question to Mr. Kwasniewski. You said on 4 February that you were only interested in the post of prime minister and not deputy prime minister.

[Kwasniewski] As this has been extensively reported, I want to say that, first, I had no offer of a government position from the prime minister. I heard about it on radio and television, but there was no offer. Second, I want to say that I will not accept such an offer as reported by the media, because it is not true what Minister Strak says that our criticism of some actions by the government or the prime minister himself was caused by the fact that we are not satisfied about being outside the government. We have the feeling of responsibility for our actions. I am leading the largest parliamentary party without which this government and this coalition cannot exist. All this has nothing to do with ambitions to enter the government. I also want to stress that if we are talking about a reconstruction of the government within the coalition, it is only natural that the leader of the largest parliamentary party is a potential candidate. This is obvious in countries with parliamentary traditions. For many reasons it has been different in Poland, but today this situation can be reviewed.

Since we are taking live to viewers, I want to say that, for the moment, these are only hypotheses and possibilities, and no decisions have been made. I, personally, have made up my mind. I am not going to accept any proposal to enter the government, as I think this is not what the government problem is about. The problem lies in strategic goals and their implementation and also in the style of actions by the prime minister himself and the government as a whole. This is what we have wanted to talk about for a long time. A new coalition agreement was accepted by a group of experts at the end of December and, since then, we have not been able to conclude talks with our partner. Now, I hope, everything will be speeded up. [passage omitted]

[Announcer] As Speaker Jozef Oleksy is about to leave, it looks as though the news conference of the Sejm Presidium and the chairmen of the parliamentary floor groups after today's meeting with President Walesa is coming to an end. This is all in our relay.

Pawlak Interviewed on Current Situation

LD0602213895 Warsaw TVP Television Second Program Network in Polish 2000 GMT 6 Feb 95

[Interview with Polish Prime Minister Waldemar Pawlak by "Panorama" announcer Krystyna Czubowna; relayed by Warsaw TV Polonia Network—live]

[FBIS Translated Text] [Czubowna] Your guest, and ours, is Waldemar Pawlak, chairman of the Council of Ministers. Good evening.

[Pawlak] Good evening, ladies and gentlemen.

[Czubowna] Prime Minister, will you resign?

[Pawlak] Ladies and gentlemen, it is of course possible to acknowledge that in the present situation the prime minister is guilty of everything, and to seek such an explanation. But I think that this is to take a very superficial glance at what is taking place at the moment. If, indeed, because I and the government wish Poland would enter western European structures as a partner, if we wish to transform our position and situation and strength, bring about for Poland lasting and stable bases for development, that trade between east and west will be concentrated here, that we exploit our energy potential—for this is a strength although for a while we persuaded ourselves it was a burden, if we are capable of finding solutions for winning in agriculture and attaining new markets, then this indeed, since it transgresses certain interests, not just domestic but also international ones, for this the matter might indeed be formulated like this, that the prime minister and the government ought to depart. [sentence as heard]

[Czubowna] But let us get back to the question, will you resign?

[Pawlak] I gave you a reply precisely just a moment ago, that we should ask this question in substantive terms and not in this very superficial way, because we heard here, in this program a moment ago, how it is with this speed, that it is too fast, too slow, that there are supporters of great accelerations and, you know, quite recently still, just a few years ago we had quite a fast tempo, that at least is what some people felt. But not many people climbed aboard this fast train, and many people paid very dearly for this great speed.

[Czubowna] For this excursion in which they did not take part.

[Pawlak] And now it is necessary to consider whether this is all that this is about. For indeed, when these reforms go at a rate adapted to the capabilities of most of society, then the strongest have problems, for they would dearly wish to tear themselves away, to the front. They could attain more on this, earn more, and this is a problem for them. But I think that the government is appointed so as to serve the interests of the whole of society, and not just those groups that are most influential.

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[Czubowna] In the crisis situation that has come about, do you see a need to reconstruct the cabinet?

[Pawlak] I think that again, it is necessary to speak of issues. If we look at the present atmosphere, when much is said about purely personnel matters and nothing is said about what issues stand before us, what problems we are to resolve, then it is difficult to speak of a reconstruction. For, what parameters are these people who are to overcome these challenges to meet? And so, not in such an atmosphere, not in an atmosphere of a campaign against people. And I think that, on the part of the Polish Peasant Party [PSL], we have put forward a fairly clear idea. We are not concerned with dismissals, we are concerned about including in the government people who have this drive and who would wish to beneficially use their energy.

[Czubowna] Today you said, today, that people from outside the coalition may find themselves in this cabinet.

[Pawlak] Yes, well, these proposals that were presented to the president go much further, outside of just the sphere of the coalition itself. I think that here we are dealing with an example of where people potentially may be ministers, and are above all characterized by a great feeling of responsibility, responsibility for Poland, for a good understanding of our interests. And, against the background of this discussion that took place in the Sejm today, I must say that the president is seemingly not using his capabilities to the full. For the president may participate in meetings of the Council of Ministers, pass on his ideas directly, join into this system of creative and hard work. The president has an influence, as is well known, on the banking system. And he can also influence the economic situation. And so, there is a considerable field in which to perform. And this energy really may be exploited, with great benefit for us all.

[Czubowna] As prime minister, do you believe that all the ministers in your cabinet are blameless?

[Pawlak] If you take decisions then...

[Czubowna, interrupting] You do not react to accusations.

[Pawlak] This is not true. As you know, one of the deputy ministers was dismissed recently. But I would dig even deeper into history because at the beginning of 1994 I took a decision to dismiss a deputy finance minister [Stefan Kawalec—dismissed on 28 January 1994]. And you know, we somehow did not have such an atmosphere of concern about scandals, and in this case there is an investigation by the prosecutor.

Here, we have to deal with two phenomena: there are scandals that never were but are artificially induced publicly; and there are such scandals that remain in public awareness for some time but then you forget them very quickly. And I think that you have to exercise restraint and act energetically in all the cases where you see that a transgression took place and in all those places where the prosecutor has to intervene. And the case finds its way into the court, and, as you know, courts issue verdicts on behalf of the Polish Republic. So we will be acting consistently in those cases so that all the mistakes are removed. But one thing is inadmissible: we cannot react to every accusation, every accusation without proof, and sack a person on the spot. How do you see the functioning of any institution?

[Czubowna] Let's go back to you, personally. Do you have the courage to submit yourself to a vote of confidence of both coalition parties?

[Pawlak] I am prime minister of the Polish Republic. There are procedures in the Constitution. If one or another political party, or one or another person believes that I should be recalled, then the Constitution provides for it a motion of no-confidence in the Sejm. Then, I think, everybody would then...

[Czubowna, interrupting] Then you would say yes if it happened in the Sejm?

[Pawlak] Yes, and I believe that it would be fine if, for example, we hear today after the meeting in the Council of Elders, that the Freedom Union has a clear mind and believes that it is, principally, all the government's fault, or that of the prime minister. Then I think that it can put forward such a motion of no-confidence. If the Polish Peasant Party holds a different opinion, then it will vote on it differently. If the Democratic Left Alliance shares the same view, it will join in and vote accordingly. In the Sejm there were ballots when on various issues such political configurations led to the adoption of laws. There were such ballots. This is no secret. If the parliamentary floor groups will also decide to vote like this on this issue, then we will at least have clarity. But I would here like to draw attention to certain consequences. At the moment, as is well known, the president is considering the possibility of appointing a national defence minister and a foreign affairs minister from among four candidates, and he will perhaps be considering this for a long time. If we look at the Constitution and the solutions that are entered there, at the moment when a government is recalled the president in practice decides whether the next prime minister is appointed or whether ministers will be appointed. Today, the president said this fairly clearly, at the end of the meeting to be sure, but he said it clearly. And this ends with this scenario, where the president will be able to appoint his own cabinet. And if the Sejm does not adopt a vote of confidence in relation to this cabinet—that is, votes confidence in it—then the president may dissolve this Sejm. And thus this is an extension of the procedure by a few months, but the end result is more or less the same. I do not know whether the politicians of the Left Democratic Union do not perceive these consequences, but I think that I would once more return to the start of our discussion. That this really is not about these procedures and gymnastics over articles in the Constitution, or else some sort of symbolic activity or the declaration

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of all sorts of well-turned phrases about how there is a red or a green light, or else a flashing amber or some other one. For these are easy rhetorical flourishes, but there is no substance behind them. If there are accusations, then please make them. And do not turn out these well-honed stories.

[Czubowna] Prime Minister, there are certain immovable principles. The Constitution, the coalition agreement speaking of the fact that a member of the Polish Peasant Party may be prime minister. But, apart from the fact that we do no like to give up what we have, and especially if ...

[Pawlak, interrupting] [words indistinct]

[Czubowna, continuing] ... if we are thinking of power. But if in the name of so-called higher goods?

[Pawlak] And what do you have in mind?

[Czubowna] Would you not withdraw?

[Pawlak] What higher goods do you have in mind?

[Czubowna] The state imperative.

[Pawlak] And in specific terms, do you feel that, for instance, seeking that Poland have a position of partnership in international relations, that it have a strong economy, that it have an economy that exports, that it have an agriculture that is competitive on the European market, is this not our state imperative?

[Czubowna] But the situation has reached a boiling point.

[Pawlak] Yes, it is boiling, but let's look who is stirring in this cauldron. It may turn out that when you stop stirring, the boiling may somewhat subside.

[Czubowna] So who's bad: the president, the parliament?

[Pawlak] My dear lady. I think that if...

[Czubowna, interrupting] Because even the coalition members have also been making accusations against you.

[Pawlak] You know...

[Czubowna, interrupting] I will read you a quotation. Will you let me?

[Pawlak] Well, yes, but...

[Czubowna, interrupting] Mr. Aleksander Kwasniewski said that the whole issue is based on strategic aims and the way those aims are implemented, as well as on the way the prime minister himself works and the whole government. For example, already in December experts worked out the text of a new coalition agreement, but it got stuck in the Polish Peasant Party. So, the accusations are being made by your closest partners, not only the president or members of other parties.

[Pawlak] Yes, but if Mr. Aleksander Kwasniewski started talking about concrete issues, then I think...

[Czubowna, interrupting] But this is a concrete issue, after all.

[Pawlak] Well, yes, we all agree as far as the strategic aims are concerned. Even the opposition would probably agree that we all need them. But let's discuss them one by one. The issue of changes in health care so that the same amount of money from the budget can provide better quality services, so that the money follows a patient and not in the mechanical way of the old system. Or is it the issue to introduce in the education system, for example, a good system of subsidies for local government, so that they could effectively take over those schools. It's not enough to tell such well-honed stories, that we support local government. You have to introduce solutions that would really confirm our intentions about local government. So, let's start talking about concrete issues and then the temperature will start falling, and it suddenly is revealed whether a person has really something to say or not, apart from such general statements.

[Czubowna] Thank you very much for taking the trouble to come to us.

[Pawlak] Thank you very much. Thank you ladies and gentlemen.

SLD MP's: Walesa Muddling Economic Issues

LD0602192795 Warsaw TVP Television First Program Network in Polish 1830 GMT 6 Feb 95

[Relayed by TV Polonia Network]

[FBIS Translated Text] [Announcer Dorota Warakomska] A meeting of the parliamentary floor group of the Democratic Left Alliance [SLD] ended 20 minutes ago. Our reporter Maciej Sojka, is at the Sejm.

[Sojka] In an issued statement, the SLD politicians have accused Lech Walesa of muddling economic issues with a political game of the moment. They admitted, however, that the activities of the government are not going in the direction that they had anticipated. I will quote you a fragment of the statement on this matter:

The political image of the government in society is worse than the economic results of its activities. The SLD has many times in the past drawn the attention of its coalition partner, and especially the prime minister himself, to the causes of this state of affairs. We have not accepted and we do not accept tendencies toward the centralization of the economy and disfavor toward further local government reforms, the deferral and fleeing from important decisions, a lack of an information policy, which denotes a contempt for society, the lack of a proper reaction to accusations against high-ranking state officials. We maintain our firm postulate of a joint meeting of both parliamentary floor groups with the aim of voting there on a vote of confidence in the chairman of the Council of Ministers.

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The SLD politicians have however declared that they will not take any firm activities as regards the reconstruction of the government until Lech Walesa clarifies the issue of the budget law.

Party Leaders Comment on Political Events

LD0602195995 Warsaw Radio Warszawa Network in Polish 1900 GMT 6 Feb 95

[FBIS Translated Text] During today's meeting with the Council of Elders, President Lech Walesa demanded that Prime Minister Waldemar Pawlak step down from his post and that a new government be formed. He promised that should this not happen, then the parliament may be dissolved.

Franciszek Stefaniuk, deputy of the Polish Peasant Party [PSL] parliamentary floor group, said that the PSL will demand the post of Sejm speaker for itself if a Democratic Left Alliance [SLD] politician takes the top job of the coalition government.

Marek Borowski, the SLD deputy chairman, said that his party will not take any steps concerning changes in the government before the issue of the budget law has been explained.

Professor Bronislaw Geremek, chairman of the Freedom Union parliamentary floor group, said that his party does not rule out the possibility of putting forward a motion of no confidence in Premier Waldemar Pawlak, but has not yet taken any final decision.

Ryszard Bugaj, chairman of the Labor Union [UP] parliamentary floor group, said that his party is ready to support a no confidence vote in the current government. However, he cautioned that, if it is just a constructive vote leading to cosmetic, as he described them, changes in the present cabinet, the UP will not support it.

Walesa Said To Want Wilecki for Prime Minister

WS0702083095 Warsaw GAZETA WYBORCZA in Polish 6 Feb 95 pp 1-2

[Article by Agnieszka Kublik, Edward Krzemien, and Katarzyna Kesicka: "Walesa's General Variant?"]

[FBIS Translated Excerpt] *Will Walesa dissolve the Sejm, overthrow Pawlak's government, and arbitrarily appoint a new prime minister resorting to unconstitutional methods? That man could be the current head of General Staff, General Tadeusz Wilecki. He would be prime minister for an interim period of three or four months until new parliamentary elections can be held.*

We received such information from a very reliable source, close to the Belweder. We have grounds to suspect this is a scenario Walesa is considering quite seriously.

As we have learned, the president suggested the post of prime minister to General Wilecki on Thursday afternoon, after he had sent letters to the parliament speakers asking their opinion on the "probability of dissolving the Sejm." He summoned Wilecki from a holiday he was spending in the mountains.

Politicians in Disbelief

The majority of politicians we spoke to considered such a scenario absurd and unthinkable. They claim the president will not dissolve the Sejm if he succeeds in dismissing Pawlak and replacing him with a politician from the Democratic Left Alliance [SLD]. Walesa said in Gdansk on Sunday that he would not disprove of a government headed by Aleksander Kwasniewski.

Many politicians doubt, however, whether the possibility is real as the Polish Peasant Party [PSL] has no intention of stepping down. PSL rejected the SLD offer to nominate PSL's Deputy Sejm Speaker Jozef Zych as prime minister. The PSL parliamentary club gave Pawlak its full support on Saturday, and the only concession the party is willing to make is agreeing to accept Kwasniewski as deputy prime minister.

Freedom Union Deputy Bogdan Borusewicz, once a close aide to Walesa, does not dismiss "the general variant" as unlikely. He told GAZETA on Saturday that "Walesa might dissolve parliament and take over the government. He could then appoint Head of General Staff General Tadeusz Wilecki the prime minister of an interim government. He has no constitutional grounds for doing so. Yet since he can dissolve parliament unconstitutionally, he can also appoint a new head of government. Besides, Professor Falandysz will provide a legal explanation for everything, including the fact that the Constitution does not prohibit combining the functions of prime minister and head of General Staff. One way or the other, the dissolution of parliament resembles a coup."

Leak Under Control?

A foreign observer of the Polish political scene, who requested anonymity, claims that the president might be orchestrating a "controlled leak." The coalition might either oust Pawlak's government out of fear or accept General Wilecki without any criticism, perhaps even lending support in implementing the plan.

Official Denial

"Wilecki? I have never heard of such an idea," we were told by the president's political adviser, Andrzej Zakrzewski. "Only the parliamentary majority can nominate the prime minister. Walesa is not thinking about the prime minister's successor."

"Let us not fear the worst will happen and that the Sejm will be dissolved," Zakrzewski says soothingly.

According to Zakrzewski, everything now depends exclusively on the coalition. The meeting between Walesa and leaders of PSL and SLD—Aleksander Kwasniewski, Jozef Oleksy, Jozef Zych, and Waldemar Pawlak—

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scheduled for today will most probably be canceled. Walesa agreed to participate only on the condition that the names of the foreign minister, defense minister, and Poland's ambassador to the Vatican would be known by then.

Walesa said in Gdansk yesterday that he would meet with the Council of Elders, but he was "not sure a meeting with the coalition is necessary."

"The ball is now in parliament's court," says Zakrzewski. "If they want to make a move, perhaps they can strike an agreement with Walesa. To date they keep switching the light from red to green. Most often it is yellow: 'Mr. President, please wait.'"

This Will Not Take Long

"What is Walesa expecting?" we asked Zakrzewski.

"A new government, at least the dismissal of those members of the cabinet who are involved in criminal activities."

The president's lawyer, Belweder Minister Professor Lech Falandysz warned yesterday on RADIO ZET: "The president will find a way to establish a government which can be trusted by both the president and parliament. If there is no agreement and the coalition continues to mistakenly believe that it is in charge here, this will not last long." [passage omitted]

The Army Instead of a Party

General Wilecki has had close ties with Walesa for a long time. The dinner in Drawsko last fall did not have the exclusive aim of ousting Defense Minister Admiral Piotr Kolodziejczyk. It was most of all a test of loyalty to the president for the generals and the head of General Staff. They passed with flying colors.

After Drawsko, Wilecki appeared at Walesa's side during the presidential visit to Japan. This raised many eyebrows, yet, according to our sources, it was to "show the general to the world."

Walesa is not backed by any political party. Appointing Wilecki as prime minister would draw the Army into politics. Walesa had already tried to use the Army once, during the 1993 elections. Many high-ranking officers appeared on the ticket of the Nonparty Bloc in Support of Reforms. The process was stopped by the then Defense Minister Janusz Onyszkiewicz. Today, however, we do not have a defense minister.

This time, the Army would not have to choose any political power—it would simply remain loyal to the head of General Staff.

The Nonforce Variant?

The dissolution of the Sejm unquestionably has to be the first step. An official announcement would then have to be made that the government is no longer credible as many of its members are involved in criminal activities. Walesa could refer to the Saturday Sejm discussion, during which all parties except PSL criticized the government for inefficiency.

This scenario cannot be realized without violating the law. It has to be unconstitutional. Still, Walesa estimates that the political groups will hardly protest. He thinks he will be able to implement his plan without resorting to force.

It is not clear how Walesa envisions the details of overthrowing Pawlak's cabinet and leading General Wilecki and his team to the Office of the Council of Ministers. The president made public statements that he "will not call either on the police or the Army to lead anyone out by force." Yet he also said that if anyone breaks law and order, the Army and the police will called.

The Vistula Military Units at Command?

Some politicians fear the president may employ the Vistula Military Units [Nadwislanskie Jednostki Wojskowe—NJW] of the Ministry of Internal Affairs, which are subordinated to Interior Minister Andrzej Milczanowski, the president's man. NJW provide security services for all key state administration buildings. They are also responsible for pyrotechnical control at the Sejm.

According to a government regulation on the principles of employing the police and NJW armed units they could, for instance, surround the parliament building, the headquarters of the top state authorities, and key buildings from the point of view of state security for purposes of "protection, defense, and isolation."

Top officials at NJW firmly deny they were preparing for any operations of this type.

Walesa could possibly issue orders directly to head of NJW General Marek Toczek (considered to be Mieczyslaw Wachowski's man). The law does not provide for such a possibility. Still, the NJW units are part of the Armed Forces, of which Walesa is commander in chief. It is not clear whether this would suffice to overlook the interior minister in issuing orders to NJW.

Strak: Kwasniewski Should Become Pawlak's Deputy

LD0702101595 Warsaw Third Program Radio Network in Polish 0900 GMT 7 Feb 95

[FBIS Translated Text] Prime Minister Waldemar Pawlak should remain prime minister and Aleksander Kwasniewski should accept the post of deputy prime minister. This is the view of Michal Strak, head of the Council of Ministers Office [URM], who was a guest of Radio Three today.

According to him, the Democratic Left Alliance [SLD] leader would then cease to become a critic of the government because he would then have to assume some

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responsibility. Strak expressed the conviction that President Lech Walesa will not dissolve parliament and will resign from seeking a second term as president so that he can deal with the formation of his own party. According to the head of the URM, this would be a way of resolving the conflict between Walesa and the coalition. Strak criticized employees of the Presidential Chancellery.

[Begin recording] [Strak] Let's talk about other dismissals which we would have to expect. Well, I think that Professor Falandysz should think over whether he is fulfilling the duties of the president's main legislator well, since it transpires that his interpretation of the law has collapsed. I think that Mr. Spalinski should think over whether he is a good spokesman, since his revelations about the prime minister's proposals to appoint Mr. Szeremietiew [to the post of minister of national defense] turned out, after yesterday's meeting with the president, to be a great swindle because the president vividly expressed his opinion about Mr. Szeremietiew. Therefore, I think, we should prepare a list of those people who, after the last few days, should seriously start thinking if they have been carrying out their duties well. And I think that there will be no room for the prime minister on that list.

[Reporter Monika Olejnik] And who from the government will be on this list?

[Strak] As member of the government I will not point out these people. Perhaps there will be such people. On the other hand, this issue should be discussed, I would say, in different conditions, in different circumstances, and in a different atmosphere. [end recording]

[Studio announcer] Monika Olejnik was talking to Michal Strak. According to our guest, there are no reasons for the prime minister to resign. In his opinion, during this evening's talks, the leaders of the Polish Peasant Party [PSL] and the SLD will not discuss Prime Minister Waldemar Pawlak's resignation. Pawlak himself is opposing the vote of confidence in himself during the meeting of both parliamentary parties. The prime minister made it clear that he will not step down from his post. He pointed out that there is a constitutional procedure for the dismissal of the head of government—to propose and vote on the motion of no-confidence in the Sejm.

Kwasniewski Preferred to Pawlak for Prime Minister

WS0702105495 Warsaw ZYCIE WARSZAWY in Polish 7 Feb 95 p 1

[Article by "RAS": "Poles Prefer the SLD Leader to the PSL Leader"]

[FBIS Translated Text] According to a poll carried out by RUN, 36 percent of Poles claim Aleksander Kwasniewski would be a better prime minister than Waldemar Pawlak, 30 percent state the opposite, and nearly one-half of those polled did not have any opinion. The sampling error is 3.2 percent. Kwasniewski is most popular with people in their thirties (41 percent from that age group think he would make a better prime minister than Pawlak, 29 percent disagree) and forties (45 percent to 30 percent, respectively). Most critical of Kwasniewski are teenagers between 16 and 19, a mere 29 percent of which claim he would be a better prime minister than Pawlak, and 34 percent state he would be worse.

The Democratic Left Alliance [SLD] leader is more popular among people with higher education (58 to 19 percent) and with secondary vocational education (46 to 24 percent). He has meager support among Poles who have not completed their elementary education (8 percent to 42 percent).

Support for the SLD leader is strongest in medium-sized cities with a population of 50,000-100,000 (48 percent to 17 percent), and in large cities with a population of more than 500,000 (43 percent to 20 percent). He has the least support in rural areas (28 percent to 35 percent).

Kwasniewski's candidacy is popular in central Poland and in the regions of Pomerania and Malopolska. He does not have many supporters in eastern and northeastern Poland.

Would Kwasniewski make a better prime minister than Pawlak?	
Yes	36 percent
No	30 percent
Difficult to say	33 percent

* * *

The poll was carried by RUN on 18-24 January on a group of 1,390 people.

Senate Approves Amendments to Small Constitution

LD0302194995 Warsaw PAP in Polish 1912 GMT 3 Feb 95

[FBIS Translated Text] Warsaw, 3 Feb—This evening the Senate approved, without making any changes, the amendments to the Small Constitution that had been earlier passed by the Sejm; 75 senators voted for the amendments, there were no abstentions, and nobody voted against.

Under the amendments, the Sejm carries on, even in case of its dissolution, until the deputies gather on the first meeting of the new parliament.

The amended law will now go to the president, who has 30 days to sign it.

Geremek Discusses CSCE, NATO, EU Issues

95EP0032A Poznan WPROST in Polish No 51, 18 Dec 94 pp 13-15

[Interview with Professor Bronislaw Geremek, chairman of the Sejm Foreign Affairs Committee, by Jaroslaw Gizinski and Roman Strzeminski; place and date not given: "Europe's Gates"]

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[FBIS Translated Text] [WPROST] Does the fiasco of the CSCE meeting in Budapest also signify Russia's defeat in its striving to gain the same standing as the former Soviet Union and a failed attempt to reanimate the Helsinki Conference?

[Geremek] I think that to consider the conference in Budapest a fiasco would be an exaggeration. Comments of this kind I find surprising, especially when they come from Polish journalists. For I believe that on the contrary a "success" of the Budapest conference would threaten Poland and Europe by giving the Russians the right of veto in an organization which might become the principal European security structure. That would mean the threat of a blockage of all decisions concerning international policy. This has not happened, and therefore I view this as the real success of that conference—even for Russia itself, because had the original scenario come true it would have meant strengthening the neoimperialist tendency in Moscow.

On the other hand, it is difficult to assess other than negatively the fact that the CSCE was unable to take a position on two issues of importance to the continent's future, namely, on Bosnia, which is Europe's great shame, and on working out a certain philosophy of action as regards European security.

[WPROST] Is Yeltsin's Cold War tone a sufficiently strong warning to the West?

[Geremek] I hope so. Contrary to Russian intentions, the course of the Budapest conference was such as to bring closer to reality Poland's expectations of joining European security structures. What is more, I believe that the impossibility of determining the principles of future action of the CSCE strengthens the conviction that NATO is the sole effective European security structure. Now the principal question is, what next? I believe that even thinking of any European situation that would not take into account the importance of Russia would not be a good thing for Europe. That is why, following the Budapest conference, the problem of linking the expansion of NATO to a rational dialogue between NATO and Russia is growing increasingly serious.

[WPROST] Among NATO countries Germany has traditionally been the advocate of our membership in that organization, but during a recent meeting of the NATO Council of Ministers in Brussels it turned out that the Americans now too support it. What has caused this turnabout?

[Geremek] Something important happened in President Clinton's policy. For a year that policy emphasized the paramount importance of supporting Boris Yeltsin in his arduous struggle against the domestic opposition, but now political objectives have come to the fore—it is the political program and not a particular politician that should be supported. After all, paradoxically enough, it is precisely the declarations of the leading representatives of Russian policy that now contain accents which we usually associate with chauvinism. Such accents, when uttered by President Yeltsin, are more ominous than when uttered by Zhirinovsky. The White House understands this, which is an unusually positive factor.

Germany had without reservations been supporting Polish aspirations. But now suddenly it is taking an equivocal position. This may be due to the French-German dialogue and France's position. This may also be due to the belief that to Germany Russia remains the principal partner in Europe.

[WPROST] Is not this a consequence of the doubts arising within the EU as to the pace, depth, and scope of integration?

[Geremek] I do not think so. The Maastricht treaty is concerned with two elements—an economic union and a political union which is to be reflected in a common foreign policy and a common security policy. In both these domains the European debate is continuing. As regards the issue of Poland's entry into European structures, much depends on ourselves. This also applies to the entry of some of our neighbors. The attendant anxieties are not entirely due to the shifting attitudes of German, French, or British politicians; our own changing attitudes also are a factor. We must be aware that foreign policy is an extension of domestic policy, and the image of the Polish economy is our greatest argument "for" or "against" an accelerated entry into European structures. The political dispute concerning the Ministry of National Defense may also provide ammunition "against." It is not good either when pro-Russian nostalgia manifests itself in Polish foreign policy, as this is not at all conducive to a genuine rapprochement between Poland and Russia.

[WPROST] What kind of nostalgia?

[Geremek] For example, the idea of the Warsaw-Bonn-Moscow Triangle. This would mean that the onus of privileged dialogue between Russia and Germany would be shouldered by Poland. If certain political parties espouse ideas of this kind, one should be aware that this too is an element of European strategy.

[WPROST] You are referring to the comments made by certain SLD [Democratic Left Alliance] politicians, are not you?

[Geremek] Yes.

[WPROST] Has the transfer of power to postcommunist parties altered our situation vis a vis the West?

[Geremek] A highly important question has arisen: Is the chapter of communism in Poland definitely closed? Whoever thinks that this bears good fruit for us is mistaken.

[WPROST] How do you assess the changes in Poland's international situation that occurred in the past year, between the meeting in Prague and the meeting in Essen?

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[Geremek] The balance still is not closed. The fact that in Essen, Poland did not act as an independent entity participating in the debate on the future of the European Union is of no credit to the Union. If we compare the American position during President Clinton's visit to the Prague with the position he voiced in Budapest, it has clearly changed to Poland's benefit. On the other hand, I observe with great anxiety the statements unfavorable to Poland that are now and then expressed within influential circles of American public opinion. Even so, I feel that the belief that both the United States and Europe should be interested in admitting the countries of the Visegrad Group to NATO structures as soon as possible will win out.

[WPROST] Our hopes of being admitted to NATO have revived following the rejection of Russia's protest, but this does not change our position on the map. In such a situation, what should be our relations with Moscow?

[Geremek] This is at present a crucial problem. I believe that Poland needs good relations with Russia. When I was in Moscow nearly a year ago, I felt gratified by the Russian side's declared wishes for good relations with Poland, But the words were not followed by deeds.

[WPROST] What do good relations with Poland signify to Russia?

[Geremek] To the Russians good relations with Poland are good economic relations. To Poland, good contacts with Russia mean moreover respect for Polish sovereignty. An obstacle to the development of Polish-Russian relations is the absence of political will on the Russian side. I had believed that Russia would be much more interested in such a transformation of NATO structure as would be more advantageous to it. Yet to Russia the existence of NATO as a structure of the Cold War era is disturbing. The Russians have not realized that Poland's joining NATO does not mean shifting the boundary of military encampments eastward to the River Bug, and that instead it means a change in the structure and meaning of North Atlantic Treaty Organization.

[WPROST] But then why they refuse to realize this?

[Geremek] On the Russian side I perceive not ill will but postimperial frustrations. When Russia speaks of its sphere of influence, it couches it in various formulations. It speaks of its sphere of interests, or too of the near abroad. In either case there is some nostalgia for the situation created by Yalta. In addition, Russia is not certain of the influence of this new alignment, under which Poland will enter NATO and the structures of integrated Europe, on the former Soviet republics. But above all, I have the feeling that we often trigger self-feeding mechanisms of ill will on both sides, whereas an attempt should be made to perceive good intentions on the other side, too. Even if the position taken by Minister Kozyrev in Brussels or by President Yeltsin in Budapest may seem a neoimperial position, I am inclined to think that Russia is learning how to conduct itself in a new situation; if threats and blackmail prove ineffective, the will to cooperate will appear.

[WPROST] We exist in a period of explorations of the political identity of Europe, which is still difficult to define. What model of Europe in the future would be most desirable from Poland's standpoint?

[Geremek] Poland should be interested in joining strong rather than decorative structures. For this reason it is essential for the European Union, which Poland wants to join, to be an organism with a common economic policy and a common security policy, as well as an organism with a clear structure of decisionmaking processes. We should also be aware that we shall bear certain costs in the sense of relinquishing autonomy of our own decisionmaking. But such is the modern world. Even now we have to take into consideration the decisions of the World Bank and the International Monetary Fund as well as the opinions of foreign investors and foreign consumers. The wisdom of a nation is expressed in its ability to adapt itself to conditions so as to promote optimally national interests.

[WPROST] Where is nowadays the main coordinating center for Polish foreign policy? The impression may arise that, owing to "presidential" doings, the Ministry of Foreign Affairs and the Office of the Council of Ministers do not always cooperate. And then there is you, the chairman of the Sejm Foreign Affairs Committee and a representative of the opposition. Does not this make for conflict regarding what is our "window on the world"?

[Geremek] I believe that Polish foreign policy since 1989 has been based on a far-reaching consensus. The principal orientations of this policy have been accepted by all or nearly all political parties. In such a situation, party affiliation is not a problem. Problems arise when the consensus on the general orientations of policy collapses. For example, when a Personnel Subcommittee works under the Foreign Policy Committee and proposals are made for restoring nomenklatura structures at the Ministry of Foreign Affairs.

To be effective, foreign policy must be based on full coordination of activities, and this can be required once personal accountability is established as well. The minister of foreign affairs should be responsible for foreign policy. When appointment to that post is made upon consultation with the president, an opportunity arises for coordination among the office of the president, the parliament, and the government. This requires appropriate legal acts and goodwill. But so far there are neither adequate regulations nor adequate goodwill. I am rather disturbed to see that in the present government the minister of foreign affairs is not the coordinator of foreign policy and that complete responsibility for that domain does not rest in his hands.

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Euroregion Nysa Three-Year Activities Examined

94EP0028A Warsaw RZECZPOSPOLITA in Polish 14 Dec 94 p 3

[Article by Andrzej Kepinski: "A Fifth Column or a Foundation"]

[FBIS Translated Text] The idea of Euroregions, which so far as Poland is concerned is not much more than three years old, has not so far had an easy life. To be sure, the birth of the first of them, Euroregion Nysa, was preceded by the bestowal of the highest patronage on that idea by three presidents, von Weizsaecker, Havel, and Walesa, but this did not affect much the further course of the matter, according to Jacek Jakubiec, the secretary of the Polish side for Euroregion Nysa. But now Jakubiec is an optimist. He traces the reason for his optimism to the results of the Polish national conference organized in Lubniewice by the Office of the Council of Ministers and the establishment within that office of a separate department for transborder cooperation. Even so, however, the sense and meaning of existence of Euroregion Nysa have again become debatable.

Five Years Until Europe

At the last meeting of the Convention of the Association of Polish Gminas [Local Governments] of Euroregion Nysa the topic of greatest interest was financial—the possibilities for obtaining additional funds for the statutory activities of the Association and its members, i.e., 32 gminas in Jelenia Gora Voivodship and one gmina in Zielona Gora Voivodship. This concerns the opportunity of participating in various targeted projects and programs of the European Economic Community, the Council of Europe, and Euroregion Nysa's sister Euroregion Maastricht.

"So far not even one cent could be discussed," commented Maciej Galeski, chairman of the Tourism Working Group of Euroregion Nysa. In Galeski's opinion the scale of the problem is reflected in the fact that nowadays the countries adjoining the EC can obtain from the EC not more than 2 percent of the funds allocated within the EC for targeted projects and programs. Yet the needs are huge. On the Polish side some 70 projects which the Czechs, Germans, and Poles would like to undertake in this region of Europe have been analyzed. Thus priorities are becoming an important issue. Moreover, that aforementioned 2 percent represents funds which others also have lined up for. Euroregion Nysa is only a tiny fragment of the outer boundaries of the EC, measuring only 11,494 square kilometers in area and comprising a part of Lower Silesia and Karkonosze (population of more than 500,000) in the Republic of Poland, Upper Lusitia and part of Lower Silesia in the Federal Republic of Germany (population of more than 600,000), and the northern part of the Czech Republic (population of about 300,000). The characteristic aspects of the problems of Euroregion Nysa include the fact that the average lifespan in the so-called Black Triangle, as that area, which lives off brown coal, is termed owing to ecological considerations, is about five years shorter than the European average. The air there is polluted by sulfur dioxide by a factor of 140 times as much as in the FRG. An additional problem is nitrogen oxides and the liquid wastes of the Czech chemical industry. The principal culprits are Boxberg and Hagenwerder (on the German side) and the Turow Power Plant on the Polish side. It is not surprising either that some 80 studies proposing ways of resolving these ecological problems—studies that often are mutually contradictory—have been prepared. But ultimately the effectiveness with which the abovementioned industrial giants become modernized will be the decisive factor.

Another factor is the problem of unemployment. On the German side it reaches 20 percent in Zittau (Zytawa) and Kamaz [Kamenz]. On the Polish side, according to the forecast of Dr. Franciszek Adamczuk of the Jelenia Gora Affiliate of the Economics Academy, it may reach 25 percent owing to restructuring and the changes that may occur in this region. One result of the disintegration of the Union of Six Cities as well as of World War II is infrastructural decay. This is graphically illustrated by Armin D. Martin in his degree dissertation on Euroregion Nysa, submitted to Berlin university, which observes that it more advantageous to order a truck from Holland for eastern Saxony than from western Poland, or, as another example, there are no telephone connections between Rogatynia in Poland and Zytawa in Germany even though these towns are only four kilometers apart.

The Goerlitz Focusing Lens

In June 1991 an amended partnership agreement between the cities of Zgorzelec in Poland and Goerlitz in Germany, separated only after World War II, was initialed. One result of their historical connection is that their infrastructures are mutually complementary and they have common needs for gas, water, and electricity supplies, bus and trolley routes, sewage treatment plants, and new bridges, as well as for cooperation between hospitals, fire squads, and rescue services, and for the development of cultural and educational centers. In Armin D. Martin's opinion the inhabitants of Goerlitz are full of goodwill and want to promote an equalization of living standards between their town and Zgorzelec, which is separated from them by only the width of the Nysa River, but, this being the opinion of Germans, Zgorzelec has no such chance. Goerlitz was nominated in 1990 a "German model city," and as a result it is a beneficiary of a mass influx of financial support for its reconstruction. Zgorzelec cannot count on similar support from the Polish Government. The disproportions will grow instead of diminishing.

The policy of the German Government is due to the considerable disproportion between the "Forgotten Triangle," as that border area of Germany is called, and Germany as a whole. In contrast, the adjoining Polish

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border area is economically rather better off than Poland as a whole. This relativism accounts for the thinking and decisions taken in Bonn and Warsaw. On the Polish side, in the opinion of German observers, the situation is complicated by low industrial productivity and the impediments to entrepreneurship due to the adverse wage, price, and tax system, credit policy, and inflation.

The Markets Will Decide

Few doubt that in the absence of the Euroregion cross-border cooperation would not develop. Examples are provided by daily life. By the dozens of cars with Czech license plates visiting Polish cities every Saturday. By the complaints of Goerlitz authorities and businessmen over competition from Polish tradesmen and producers who offer merchandise at lower prices. On the Polish side, too, domestic trade is vigorous. In Zgorzelec even staple consumer goods cost more than in Other Polish cities, and so it pays some inhabitants of Zgorzelec to travel to the 30 kilometers distant Luban in order to make purchases. And on both sides of the border theoreticians and practitioners agree that the principal problem is to find markets. The EC is closed to so-called cheap imports, while any expectation of sales on markets east of Poland is unrealistic; thus the Polish economic complex has quite a big problem to resolve. Moreover, politicians and economists have to keep in mind the differences in interests, as exemplified by the discussion of the future of the Turow Power Plant. Competing German power plants which generate power at a higher cost and are more destructive to environment seem to wish that the Turow should be shut down. This is of course an extreme example, but it should not be ignored. It is not surprising either that the local Jelenia Gora press publishes articles questioning the purpose of the Euroregion and suspiciously viewing that institution as a kind of Fifth Column.

"You can find an attractive collection of such articles, with one bearing the particularly intriguing heading, 'Euroregions—The Fifth Partition of Poland,' in a 1993 issue of GAZETA POLSKA," said Jacek Jakubiec, on adding that such suspicions are nothing new or original.

What then are the measurable accomplishments of Euroregion Nysa? What benefits ensue from its operation on the Polish side to the taxpayer? Has that institution resulted in creating new jobs and investments, or does it merely represent throwing good money after bad and treading in place?

A Foundation

In Galeski's opinion the usefulness of Euroregion Nysa is demonstrated by the plans for developing the exchange of youth groups. To be sure, during a youth holiday organized by the Polish-German Goerlitz-Zgorzelec Twin City early in December 1992, Polish-German Youth Cooperation began to be active as an organization, with offices in Warsaw and Potsdam subsidized by the Polish and German Governments, but so far its activities have been mainly symbolic. Now an opportunity for making it operate at a profit is arising, and the year 1995 may become the year of youth exchange. A scout camp in the Izer Mountains is being planned.

Not without importance also is the help provided to Polish border gminas, which were powerless in face of the central bureaucracy and unable to go through independently with the initiative of opening tourist border crossings. Galeski claimed that owing to assistance from Euroregion Nysa such crossings will be opened next year. Deputy Marcin Zawila, chairman of the Association of Polish Gminas of Euroregion Nysa, added, "Before the establishment of the Euroregion, Jelenia Gora Voivodship ranked fourth in Poland in the number of border crossings, but now we rank first. Next year another crossing will be opened between Czerniawa and Nove Mesto."

To Zawila the past three years have been a period of creating legal structures and convincing Bonn, Prague, and Warsaw as to the need for the Euroregion. They have been a period of laying the foundations for interstate partnership, and at a low cost at that—about 400 million [zlotys], that being the cost of maintaining an office on the Polish side. He agreed that so far getting funds from the EC has been difficult owing to the Brussels bureaucracy and the boundaries of United Europe. Under a Brussels decision, "Interreg 2," which was to comprise and serve Euroregions, was not extended to the Czech Republic and Poland. The most that could be gained under the Cross-Border Program was 50,000 ECU's for the Euroregions outside United Europe.

What then are the measurable results of the Euroregion so far?

There is the hope that the Sixteenth Century manor in Czarne will be brought back to life. The initiative for renovating that manor, an architectural relic of the Silesian Renaissance, originated from Jelenia Gora ecologists, and it is being promoted by the Foundation for Ecological Culture. So far no progress has been made, but now an opportunity has arisen for obtaining the funds to complete repairs commenced years ago and to finalize the idea. But that requires persistence and a fortunate turn of circumstances—as it happens Jacek Jakubiec, an architect and one of the most fervent advocates of restoring Czarne Manor is also a salaried employee of Euroregion Nysa. The master's attention fattens the calf, as certain gmina activists say not without envy, but then when funds are scarce and the competition for them keen, emotions run rampant.

The pragmatic nature of the contacts within the Euroregion is reflected in the jointly conceived program for cooperation in the event of natural disasters. In 1995 Polish university students will be able without impediments to continue their studies in the Czech Republic and Germany. The related agreement applies to higher schools in Jelenia Gora, Zittau, and Liberec. In this way,

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young people will be able to raise their qualifications by earning dual diplomas. The Communal Fair of the Euroregion in Jelenia Gora, the Trade Fair in Smrzovka, and the Tourism Fair in Goerlitz serve mutual promotion. A joint tourist guide and a joint business directory were published. The international historical commission consisting of 40 historians is doing very fruitful work. Direct contacts at gmina level are flourishing.

What Then Is the Problem?

Those who view the Euroregion as a "Fifth Column" or "the fifth partition of Poland" comment ironically on the abovementioned accomplishments of Euroregion Nysa. Some people also are asking whether this might not be a convenient way of obtaining political and economic intelligence in return for the 30,000-50,000 ECU's granted for equipment purchases to the Polish office. Euroregion administrators view such suspicions as absurd.

Deputy Zawila points to the problem of expectations. In his opinion, those to whom it had seemed that the Euroregions would solve all the problems on the Polish side feel disappointed. But after all that is an unrealistic approach to a problem which requires an arduous development of a new pragmatism in political and economic relations among countries whose history also is burdened by the baggage of mutual mistrust. The appraisal is complicated by the negative attitude of Prime Minister Klaus to the idea of the Euroregion as such, even though the Czech Government is subsidizing the activities of its citizens in Euroregion Nysa. Another adverse influence is the memory of the once burgeoning Union of Six Cities, which used to consist of Budziszyn, Kamenz, Zgorzelec, Luban, Lobau, and Zytawa.

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PD Asks PDSR To Cancel Pact With Parties

AU0602175695 Bucharest Radio Romania Network in Romanian 1400 GMT 6 Jan 95

[Report from Chamber of Deputies session by Ioan David]

[FBIS Translated Excerpt] Esteemed listeners: the Chamber of Deputies met in session in Bucharest today. [passage omitted] The Democratic Party [PD] presented a statement regarding the protocol on the political alliance between the Social Democracy Party of Romania [PDSR], the Romanian National Unity Party [PUNR], the Greater Romania Party [PRM], and the Socialist Party of Labor [PSM].

The PD parliamentary group's statement says they have learned with concern of the conclusion of a political alliance between the PDSR and the PUNR, PRM, and PSM, an alliance that formally sanctions association of the latter parties to the process of running the country. Even though the protocol signed by the aforementioned parties does not change in the least the actual relationship among them, the respective document makes it official and increases the access to power of certain extremist, intolerant, xenophobic, anti-Semitic, and nostalgic parties longing for restoration.

The statement reads: We believe that by accepting this protocol, the PDSR, in its capacity as a party holding the relative majority in Romania's Parliament, has violated the commitments it made to its own electorate, which did not vote to bring into power certain political groups of the extreme right or left that consider the antitotalitarian revolution of December 1989 an antisocialist and antinational counterrevolution; to Romania's Parliament, to which it submitted a cabinet of a single color for approval, a cabinet not aligned to parties that barely exceeded the 3-percent electoral threshold; to the entire country, to which it submitted a government program stipulating reform, democracy, and the elimination of totalitarian structures; and to the international community, which it assured it will strive to isolate and combat extremism in Romanian political life, so that Romania can become a true element of stability in our region and the world.

In view of the aforementioned reasons, and considering the four-party accord a serious danger to Romania's destiny internally and internationally and a political maneuver that paves the way for a fascist regime in the country, the PD parliamentary group demands that the PDSR immediately cancel the aforementioned protocol and start serious negotiations with the democratic forces in order to take the country out of crisis and guarantee the democratic process in Romania. The government should come before the parliament for a vote of confidence, which will express the attitude of the legislative body toward an executive branch that no longer corresponds, from the viewpoint of its political structure, to the one validated two and a half years ago.

Marko Outlines UDMR's 'Autonomy Program'

95BA0119A Bucharest ROMANIAI MAGYAR SZO in Hungarian 11 Jan 95 pp 1, 3

[Text of speech by UDMR President Bela Marko at UDMR conference on 7 January 1995 in Cluj]

[FBIS Translated Text] Before I describe the autonomy program of the Democratic Union of Hungarians in Romania [RMDSZ—in Romanian, UDMR], I would by all means like to say a few words about the way this program has evolved—in other words, about an autonomy concept and the way to realize that concept.

Forgive me for not wanting to give professional explanations in the course of my brief presentation. I do not want to create the appearance of rigorous professionalism by presenting many facts, much data, and many quotations, because our organization, established by enthusiastic amateurs almost five years ago, has reached the point where it distinguishes between, is able to distinguish between, politicians and experts. I want to underscore this matter even more so because the speaker who preceded me is the most outstanding internationally recognized scientist and expert in this field.

We must by all means start out by stating the fact that we were unprepared for the events of December 1989, even though they were not unexpected. We were unprepared in the sense that for the past 40 years, the Hungarian intelligentsia of Romania had been unable to pursue any joint thinking with regard to offsetting the burden of minority existence and to opportunities for recovering from such existence. In a dictatorial system that wanted to make use for its own benefit not only of the past and the present but also of the future, there was no opportunity to express in a legal, or even a political, form the latent endeavors that existed in public consciousness. Although some memorials and memorandums did exist, most of these were limited in scope. They were statements of principle or revelations of violations of rights.

Thus, before World War II and in the late 1940s, immediately after the war, the process of searching for solutions had come to a halt. The rich contributions of this process are being revealed to the public only now, as documents and proposed laws are released and published. Tying together these severed strings became our most important mental task after December 1989, a task that in my judgment proved to be more cumbersome than it should have been. We did not really take advantage of the capabilities of the few individuals who were able to perform this task. At the same time, we also had to establish a different link with the past. This involved reviving and presenting the historical legacy that turned the former Transylvania into a land of tolerance. Transylvania became a land of tolerance because those who perceived this idea centuries ago did not make an attempt to rely on the empathy and emotions of peoples coexisting there. Instead, they relied on the idea of separateness guaranteed by law. Thus, it was incumbent

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upon us to recall the former systems of Szekely and Saxon autonomy, and to find out which aspects of those systems could be utilized today.

At the same time, we also had to make certain connections not only in time but also in space. This had to be done because while time seemingly stalled in Transylvania, thought concerning the peaceful resolution of ethnic, minority, and national issues has advanced in Europe and in the rest of the free world. Moreover, appropriate practices regarding such issues have also evolved in certain places, even though in the end, any rule of general applicability falls far short of the standards that could appropriately be applied to a Hungarian community of more than two million people—a community that has its own developed culture, native language, traditions, and national consciousness. It is equally true, however, that we could view the South Tyrolian, Finnish, and Spanish models as examples.

In summary: We had to do a number of things to develop our autonomy concept. We revisited the theories that underlie our traditions, the Transylvanian practice of long ago. We became part of the flow of relevant European thought processes. We recognized the fact that any solution acceptable to us would be diametrically opposed to the still surviving, and moreover growing, perception of a Romanian nation state—the obsolete perception of one state, one nation, and one language; and we reckoned with the fact that in reality, we could not be the lone minority pursuing such goals but should instead seek solutions jointly with other communities in the Carpathian basin—and in a broader context, with all ethnic groups and nations in the entire East-Central European region. We also had to reckon with the fact that the concepts we regard as self-evident and necessary, such as self-determination, collective rights, or autonomy, are surrounded by a greater-than-expected lack of understanding in the West. I am convinced that from the outset, this gradually decreasing lack of understanding was not based on legal arguments but primarily on political considerations. This is so because the right to self-determination is recognized throughout the world, and the question of who is and who is not entitled to exercise this right is mostly a political question.

The situation is the same as regards collective rights: What is a state, if not a very broadly perceived collective right? These rights exist even if they are not being called rights, and in order to gain general recognition of these rights—of a different practice and a different exercise of these rights, such as various forms of autonomy—one has to break through political barriers, not legal barriers. When the RMDSZ discussed internal self-determination in its Kolozsvar [Cluj] Declaration of October 1992, when it called for some kind of limited freedom, it did not create a contradiction that could not be resolved. Instead, it made a sober and mature political offer to settle the fate of more than two million people.

But I have gotten too far ahead of myself. At this time the only thing I want to do is to describe the context in which autonomy could evolve.

The problems I enumerated before might have slowed down the evolution of such a concept.

Similarly, a mistaken tactical consideration of what must or can be said, and how things should be said in an overheated atmosphere of Romanian nationalism, also might have slowed down this process.

In my view, however, the fundamental difficulty was not caused by these problems and mistakes but by the fact that a solution had to be found in a situation essentially new. In order to find such a solution, we first had to recognize that a new legal model was needed in the new, complex situation we were faced with—a new legal model that relied on appropriate examples in space and time, of course.

This is so because the Hungarians of Transylvania, including Hungarians who had moved to other regions of Romania or to Bucharest, could be regarded as an entirely homogeneous community from the standpoint of national consciousness, language, and culture. Moreover, we could also say that this is an exceptionally homogeneous community that, in its features, is not at all different from the features of other segments of the Hungarian nation, but that nevertheless views itself as an entity. At the same time, however, the 70 or 75 years that have passed since Trianon have prompted, mainly as a result of violent assimilation policies, certain irreversible changes in the ethnic composition of Transylvania. Although these changes failed to break down the very strong cohesive consciousness of the Hungarian community, some Hungarians remained in a bloc, while another significant number of Hungarians was faced with an entirely different situation. They had to live their lives as minorities within their own villages or cities, or, quite often, as insignificant minorities in dispersion. The various situations would have required different situation analyses, and from the beginning, this fact gave rise to situations in which several truths existed simultaneously, clashing from time to time within the RMDSZ. A strong sense of belonging to a community, and diverse situation analyses characterized the search for a concept and a future image that consumed so much energy in this organization all along and that has by now produced some very serious results.

These efforts have, by far, not come to an end; and the purpose of today's conference is also to give further thought to certain important issues, taking advantage of the fact that we convened on this festive occasion.

In the end, one of the most important conclusions we reached was that by no means should we try to do the impossible and adjust the different existential situations and situation analyses so that all situations and all analyses fit the solution, but that we should instead provide a plural solution, one that includes alternatives.

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Incidentally, the conclusion we reached coincides with the conclusions reached by several Hungarian organizations in the Carpathian basin.

This is how the RMDSZ arrived at the idea of "autonomous [situations] enabling self-organizing efforts by minority societies," i.e., the idea of several kinds of autonomous existence as part of the program of the January 1993 Brasso [Brasov] Congress, after the already mentioned Kolozsvar Declaration. The program defines this idea as follows: "From the standpoint of the Hungarian minority in Romania, we regard local and regional self-governance and personal and cultural autonomy as the standards to be followed."

During the past two years, the terminology used in the program has changed, or has been refined insofar as the specific meaning of terms was concerned, and this also meant a certain change in content, the perfection of the contents. In our legislative proposal on minorities we agreed to use the term *autonomous community*. At the same time we drew the outlines of various possible autonomous situations in the framework of a three-tiered concept we had agreed upon: First, we should follow the principle of *personal autonomy*, the primary but not exclusive means for exercising cultural autonomy; second, the principle of having *local governments with a peculiar status*; and third, the principle of *regional autonomy*. Quite obviously, the latter two forms of autonomy have to do with areas, while the first form of autonomy would provide self-governing authority for all those who organize within the framework of a community and who profess to belong to the Hungarian community, irrespective of the area to which they belong.

The RMDSZ introduced this legislative proposal in the Romanian Chamber of Deputiess more than two years ago. It was referred to a special committee appointed to deal with this proposal alone, and to decide whether to debate or to kill the proposal. The proposal has been in the hands of the committee ever since. Unfortunately, one can understand why this is happening, considering the fact that our concept is the direct opposite of the concept espoused by those of the nation-state mentality. On the other hand, our concept is in no conflict with sober considerations, and should not be in conflict—nor is it—with real Romanian national interests that have yet to be recognized.

Before we get lost in a world of illusions, let me return to the present condition of our autonomy concept: The relevant chapters of the completed legislative proposal provide only a framework for the specifics we are dealing with now, for the framing of a statute or statutes that accurately define various scopes of authority and the corresponding decisionmaking and executive bodies, and that streamline the functioning of the various autonomous bodies. This appears to be a highly complicated task because it involves the streamlining of two principles—that of personal autonomy and that of autonomy based on areas—so as to enable even segments of Transylvanian Hungarians to integrate with the whole of Romanian society, while the expression of the identity of Transylvanian Hungarians as a whole, the opportunity to be separate, remains secured.

In the final analysis, I must say—more or less as a layman and not as an expert—that the world has already seen so many complicated yet functioning structures that the structure we envision is by far not the most complicated.

In conclusion I must discuss a matter that appears to be most important at this moment. I want to talk about the need to recognize the fact that a national community must seek ways to express and enforce its autonomy even in the absence of an appropriate legal framework. Communities such as this must establish an organization, or organizations, that are suitable for expressing and enforcing these things.

After the Brasso Congress, the realization of this need led us to the point where we wanted to transform the RMDSZ, i.e. our existing organization that represents our interests, to have it gradually become an organization for self-governance. Consistent with this intent, the resolution approving the basic rules of the Congress states that "the decisionmaking, executive, and controlling spheres shall be separated from one another, and shall be well circumscribed." This is how the institution of the Union Chairman, responsible for ensuring unity within the Union; the Council of Union Representatives, the decisionmaking organ that functions like a parliament; and the Managing Presidium, responsible for directing operations and implementing programs came about.

The Managing Presidium was appointed by the SZKT [Union Council of Delegates] after the Union Chairman made a recommendation for a person to be appointed as managing director and after the managing director was able to recommend a person for the position of deputy managing director. Later on, in addition to the SZKT composed of representatives of our organizations in various areas and representatives of our platforms, parties and local governments, the Union Reconciliation Council—sort of an upper house—was established to represent the intelligentsia, civil social organizations and the churches.

I do not want to analyze the functioning of this complex structure at this time. I only wanted to demonstrate the significance of changing the RMDSZ into an organization of self-governance by briefly mentioning the role of a few bodies. The tactical benefit of this change is that it ensures political ideological pluralism within a single organization, but its long-term goal amounts to more than this. While in the absence of authority—authority delegated by the state—the change may appear to many as a futile attempt, we are convinced that the change already renders the organization suitable for the enforcement of certain aspects of personal autonomy that are

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partial for now. At the same time, the organization must also be suitable to serve as a model for the future, and above all, for waging the political struggle for the future.

The goal of this political struggle is to resolve a complex ethnic situation while accepting the joint presence and coexistence of nations and ethnic groups as given facts and while regarding the right to separateness and the right to autonomy as absolute conditions for peaceful coexistence in the long term. A nation that fails to recognize that neither forced integration nor forced separateness are feasible paths to follow, is acting contrary to its own future interests.

[dated] January 1995

PUNR's Funar Demands Steps Against UDMR

AU0602192995 Bucharest Radio Romania Network in Romanian 1100 GMT 6 Feb 95

[FBIS Translated Text] Gheorghe Funar, the president of the Romanian National Unity Party [PUNR], has sent an open letter to President Ion Iliescu. In the letter, after assessing that the UDMR [Democratic Union of Hungarians in Romania] has already achieved territorial autonomy on ethnic criteria in several localities in Romania, after which it proceeded to the actions that occurred on 4 February in Odorheiu Secuiesc—where they sang the Hungarian national anthem and hoisted the Hungarian flag—Funar addresses several questions to Iliescu, considering that it is the president's duty to request that, after the opening of its spring session, parliament debate the situation created in the country as a consequence of, quote, the unconstitutional, undemocratic, and un-European actions of the UDMR and Hungary's meddling in Romania's domestic affairs, to take steps to see to it that the Constitution and the laws of the Romanian state are observed, and to protect democracy, the fundamental rights and liberties of the citizens, and Romania's sovereignty, independence, unity, and territorial integrity, unquote.

Funar requests that the president answer his open letter at his 8 February meeting at Cotroceni Palace with the leaders of the PUNR.

Our correspondent Sorin Croitorescu informs us that during a news conference held today at Cotroceni Palace, Ambassador Traian Chebeleu [presidential spokesman] termed the open letter a document containing grave and unfounded accusations against the president, adding that an answer will probably be formulated afternoon.

'Provocative' Events Censured

AU0602195995 Bucharest Radio Romania Network in Romanian 1400 GMT 6 Feb 95

[FBIS Translated Text] During the weekly news conference held today at Cotroceni Palace, presidential spokesman Ambassador Traian Chebeleu referred to the recent events in Odorheiu Secuiesc [Szekelyudvarhely], terming them a regrettable and obviously provocative action organized by the leaders of the UDMR leaders and an offense against Romania as a state.

Asked about an interview recently granted BBC radio by PNTCD [National Peasant Christian-Democratic Party] leader Corneliu Coposu on Romania's negative image in the United States, the presidential spokesman said Coposu was reporting his impression, one that he, Chebeleu, did not share—after which he added that if there really were such impressions abroad, they were due to appraisals made by domestic politicians, citing in this connetion the declaration made to the press by the leader of the Democratic Convention of Romania, Emil Constantinescu, following the signing of the protocol of cooperation among the PDSR [Social Democracy Party of Romania], PUNR [Romanian National Unity Party], PSM [Socialist Party of Labor], and PRM [Greater Romania Party].

Regarding an article that said Romania does not belong among those countries acceptable for integration into NATO, Chebeleu pointed out that the decision depends on the policy of the U.S. Administration, which during the various contacts so far has pleaded for a nondiscriminatory stance in this domain.

Report Denies Georghe Funar Has AIDS

AU0602204395 Bucharest ROMANIA LIBERA in Romanian 2 Feb 95 p 1

[Unattributed report: "Gheorghe Funar Does Not Have AIDS"]

[FBIS Translated Text] Despite the rumors intensifying lately and circulating in high society, and especially on the political backstage, to the effect that Mayor Gheorghe Funar is suffering from AIDS, we are in a position to deny such rumors. Those spreading them have associated the vehement and very harsh declarations made lately by the Cluj mayor with a certain kind of extreme irritation usually caused by prolonged physical suffering. In addition, the fact that quite often during recent public appearances the PUNR [Romanian National Unity Party] leader was visibly red in the face was adduced as further evidence for these insinuations. Apart from the daily suffering caused Mr. Funar by the existence of the UDMR [Democratic Union of Hungarians in Romania], they linked the origins of the PUNR leader's well-known irritated exaltation to the acute pain caused by the HIV virus. Although the results of the medical testing instruments available in Romania are not entirely accurate, we still cannot give credence under any circumstances to such undignified claims against such prominent Romanian political leaders.

ADEVARUL Prints Portions of UDMR Program

95P20441A Bucharest ADEVARUL in Romanian 17 Jan 95 p 2

[Unattributed article: "The Program of Autonomy of the Hungarian Democratic Union of Romania"]

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[FBIS Translated Text] [ADEVARUL] This is the statement that aroused so much controversy and so many disputes in the ranks of the CDR [Democratic Convention of Romania], and harsh reactions from other political forces.

[ADEVARUL ellipses] (...) To formulate our concept of autonomy, it was necessary for us to return to our theoretical traditions—to Transylvanian practice of the past—and to connect ourselves to the current of European thought about this matter. We had to consider that the appropriate new solution is in flagrant contradiction with the idea of the survival, even the strengthening, of the Romanian national state—an obsolete concept: one state, one nation, one language—and we must base our considerations on the fact that we are not alone and must seek a solution together with other communities in the Carpathian Basin, and, in a larger context, together with all ethnic groups and nations in Eastern and Central Europe. The evidence that natural and necessary concepts such as self-determination, collective rights, or autonomy are received with unexpected bewilderment in the West must be included in our deliberations.

In addition, I am convinced that this bewilderment, which is decreasing, was based from the very beginning on political rather than juridical motives. The right to self-determination, which is recognized throughout the world, is primarily a political issue—although not completely, it is true—a matter of who has and does not have access to it. The situation of collective rights is similar: What is the state if not a broad comprehensive collective right?

These rights exist, although they are not called by this name. Fewer juridical barriers and more political barriers must be broken through for the general recognition of the exercise of rights in other configurations—in accordance with other practices, such as, for example, different forms of autonomy.

The Hungarian Democratic Union of Romania [UDMR in Romanian; RMDSZ in Hungarian], using the concept of internal self-determination in the Cluj Declaration of October 1992, did not formulate an antagonistic contradiction by calling for a form of limited freedom, but made a clear and mature political offer for the purpose of settling the fate of more than two million people. (...)

The Hungarian community in Transylvania, including Hungarians living in other parts of Romania or in Bucharest, is homogeneous from the point of view of national awareness, language, and culture. In addition, it is a community with exceptional homogeneity. Although it is considered an entity, its specific characteristics do not separate it from the other components of the Hungarian nation. Nevertheless, the 70-75 years that have passed since the Trianon Treaty have generated irreversible changes—primarily as a result of a policy of forced assimilation—in the ethnic composition of Transylvania, which has not undermined this community's feeling of unity. But while a part of the Hungarian community remained compact, another, large, part is obliged to face a completely different situation, living in its commune or in its city as a minority or as a minimum diaspora. Different situations generate a variety of interpretations of the state of affairs, which has resulted, from the very beginning, in the concomitent existence of a number of truths and, from time to time, a confrontation of these truths in the UDMR. The process of seeking the outlook and image for the future was characterized by strong, communitarian cohesiveness, and different appreciations of the situation and the activity carried out in this organization with great expenditures of energy has led to today's notable results.

Of course this activity is not over, and the purpose of this conference is to continue to develop ideas, taking advantage of the festive occasion of our meeting.

One of the most important conclusions we reached was that different viewpoints and life situations do not have to be equalized. This would be impossible. But the solution must be a pluralistic and alternative one. In addition, this conclusion coincides with the conclusion of a number of organizations of Hungarians in the Carpathian Basin.

Thus, after the aforementioned Cluj Declaration, we arrived at the idea included in the Program of the Brasov Congress of January 1993 as regards "autonomies ensuring the self-organization of minority societies"—with respect to the idea of diverse autonomies—which is stated as follows in the program: "For the Hungarian minority in Romania, we consider local and regional self-administration and personal and cultural autonomy a directive and a model to be followed."

In the course of the past two years, the terminology used in the program has changed and has developed nuances, and this indicates a certain modification, an improvement of content. In our draft law on minorities, we adopted the definition autonomous community, along with defining different possibilities for autonomy, specifying a concept with three levels: first, personal autonomy which is mainly but not exclusively the means for exercising cultural autonomy; second, the principle of organs of local administration with special status; and third, the principle of regional autonomy.

The latter two forms of autonomy, obviously, have a territorial character, while the first would ensure competencies for self-administration—with no connections to territory—to those who are organized in a community and who state that they belong to the Hungarian community.(...)

But before we get lost in the empire of illusions, permit me to return to the current stage in our concept of autonomy, since the respective chapters of the draft law would be intended to ensure only the necessary framework. The concretization is in process: that is, the drafting of the statute or regulations that define well-determined competencies and the appropriate decision-making and executive organs and coordinate the

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functioning of these forms of autonomy. Moreover, this concretization takes shape as a complex task, since the harmonization of two principles, the personal with the territorial, is necessary so that the Hungarian in Transylvania can become integrated as a participant in society in Romania and also be guaranteed the expression of his identity as a whole, the opportunity for his own existence.

In the final analysis, I must state, not as a specialist but as a layman, that the world has created a multitude of structures that are complicated but still functional, of which the one conceived by us indirectly is not the most complex.

In conclusion, I would like to speak about something that is perhaps the most important imperative of the moment: the relevance of a national community seeking its way to express its autonomy and to use it to good advantage in the absence of the appropriate juridical framework. The organization or organizations corresponding to this aim should be established. The awareness of this imperative has led us to the decision, after the Brasov Congress, to gradually transform our own organization for the protection of our interests, the UDMR, into an organization of self-administration. (...)

I do not propose to analyze this complex structure or its functioning. By outlining the role of a few components, I simply want to demonstrate what the transformation of the UDMR into an organization of self-administration means for us. This is a transformation whose tactical use is to ensure political-ideological plurality within an organization, but its strategic purpose is not limited to this. While,without the powers—which will be ceded by the state—it seems to many to be a sterile experiment, we are convinced that this structure is even now capable of carrying out a certain, albeit partial, personal autonomy. At the same time, it must be ready to provide a model for the future, and, especially, to carry on a political struggle in the interest of this future.

The purpose of this political struggle is to resolve a complex ethnic situation, accepting the reality of common existence and cohabitation of nationalities and ethnicities, and considering the ensuring of the right to one's own existence and autonomy as an indispensable condition for this permanent and peaceful coexistence. A nation that does not acknowledge that neither forced coexistence nor forced separation can be practiced acts against its own future.

January 1995
Bela Marko

* * *

[ADEVARUL Note] As one can see, Bela Marko still maintains that the idea of the Romanian national state is an obsolete concept, since he does not see that the world is densely populated by national states and that the breaking up of a number of federal states (the USSR, Yugoslavia or Czechoslovakia) into their national components is the result of contemporary sociopolitical processes. However, it was a good thing that he did not present the image used in the most recent Cluj Declaration of the UDMR: that the idea of the national state "has reappeared out of the dustbin of history." Then, the chairman of the UDMR talks systematically about the "more than two million" Hungarians in Romania, intentionally ignoring the data of the 1991 census, which records the number of ethnic Hungarians as more than 1.6 million. In conclusion, the gentleman says that 75 years ago, as the result of a policy of forced assimilation, irreversible changes occurred in the ethnic composition of Transylvania. It is true, the changes are real and—we hope—irreversible. However, they are not the result of a forced denationalization policy but of the natural integration of Transylvania into the Romanian state and the exodus of the German or Jewish population to other places. The absence of forced assimilation is proven by the percents by which the Hungarian community in our country increased numerically during the past three-quarters of a century.

Tinca on Army Reform, Funding, Combat Readiness

AU0702083495 Bucharest AZI in Romanian 30 Jan 95 p 5

[Interview with Romanian Defense Minister Gheorghe Tinca by Marius Huc; place and date not given: "The Civilian Minister Comes and Goes; the Army Remains"]

[FBIS Translated Text] [Huc] Mr. Minister, what are the aims of the Romanian Army's reform and what are the main components of this reform?

[Tinca] The strategic goal of the reform is to turn the Romanian Army into a modern army. The term is very flexible and has many connotations. First of all, a modern army is an organized army, which presupposes a new kind of thinking regarding its redeployment, and which should be done in accordance with certain aims specified by the national doctrine. We have had a national doctrine in the past, too, but it was in keeping with the provisions of the Warsaw Pact so it also implied certain specific obligations. I can now say that the current doctrine coincides with the national interest but is totally devoid of supplementary obligations deriving from any treaty. This may not seem too important, but it is, when we concretely proceed to redeploying the Armed Forces. Depending on how we conceive it within the framework of reform—the whole process is at a very advanced stage—we will probably conclude the redeployment this year.

The reform also presupposes a new concept about the training of troops, in two essential parts. The first component refers to the training of officers, which actually implies a reform of military education. The program for the reform of military education has been examined

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by the Supreme Defense Council and will be implemented. The basic idea is to train officers who can develop leadership skills: The officer is both a commander and a leader of collections of people, from groups to large units. This program aims at setting up a very modern and specialized educational network and also at giving the officer, from the start of his career or the first stages of the education process, broad expertise and knowledge that can improve his mind. Similarly, the reform of education also includes the reform of technical education, which is assured at a higher level by the Military Technical Academy. I mention this to emphasize our intention to maintain a close link between the army, research, and industry. I think a country like ours should strive to achieve this goal. I myself am particularly interested in this, and it is actually my ambition to start the preliminary work—which I hope will be as short as possible—for putting education in military high schools on new bases, because I am convinced that the future officer, who will become operational at the start of the next millennium, is beginning his military training right now. I would very much like to computerize the military high schools, so that young graduates can no longer go on without personal computers. I assure you that, by the time they become officers, the entire army will be computerized. The surest way to modernization is to first create the need to modernize.

Military high schools will have a new aspect, beginning with uniforms and the introduction of certain polite procedures, including dances, because there are many behavioral matters that must be introduced, to give the officer a certain prestige. It is very true that society owes him such a degree of prestige, but the officer must also show it himself, to start with.

The second component is the Army's training. To this extent, we are currently revising the military rules, to include them in a process of modernization and readjustment to the requirements of a modern army. Similarly, the assessment criteria at the basis of training must also be somewhat revised and reconsidered, to the extent of increasing its qualitative aspect. The Army will evolve toward a much reduced quantitative dimension, even more reduced than is permitted to us by international conventions. At the same time, we would like to increase its qualitative value several times over—a value that is given by equipment and training methods—so that the Romanian Army will become faster and more flexible and reactive. However, the commanders must have an exceptional importance and greater independence in combat concept and conduct, and it follows that they will be trained in this spirit.

[Huc] What is the current situation with the Army's equipment, and how to you see its future?

[Tinca] The defense industry must be maintained but the process of reorganizing, restructuring, and re-echnologizing is slow, in my opinion. I hope the pace of this process will pick up in 1995. As a matter of fact, the examination of this matter is almost completed and the fact that other bodies, including parliament, have taken a greater interest in the matter will hopefully be beneficial for the continuation of this process. This element, combined with the lack of money, obliges us to conceive the Army's supply policy from a long-term perspective, not on the basis of purchases but rather through cooperative ventures.

I would like to point out that we plan to do business with large and serious firms and companies that can contemplate devising certain financial schemes beneficial to us, and also facilitate cooperation. At the same time, we want to have technology transferred to us. The goal of this cooperation is obviously to obtain weapons and equipment. However, we are equally interested in obtaining technology, because an industry and economy without an infusion of advanced science and technology has no chance whatsoever. We obviously want to make a significant technological leap forward. Moreover, cooperation with a serious and strong multinational company also offers a certain amount of useful political clout.

[Huc] Will the reform affect national security?

[Tinca] A reform process means great changes, as well as shifts, permutations, and movements from a certain structure to another. It means combat technology and people who must be moved to other places, sometimes into virgin territory. It also means a great deal of effort, but the army's basic goals always remain the country's defense and the maintenance of combat capacity. In this process of reform, which will last for some time, we try hard to ensure that the attention of the Romanian Army will not be excessively focused on other matters to the detriment of its efficiency, which must not be overlooked. This means that the Army must always to able to carry out its duties as stipulated by the Constitution, even while it is undergoing a reform process. Similarly, nobody should believe that we will slacken our disciplinary requirements. This does not mean that we are unduly concerned with a lack of discipline; far from me, that thought. As a matter of fact, their number is within normal parameters, and in certain respects we are faring much better than other, neighboring countries. However, we are concerned with the matter of discipline because, in a way, it is part of the reform process. We do not want first to reach a certain stage of organization and only then to tackle the issue of discipline. This spirit must stay alive and constantly accompany the reform process.

[Huc] Many of the problems faced by the Ministry of National Defense are, at least partly the result of poor financial possibilities. Are you in favor of setting up a lobby in parliament to strive to have a larger slice from the state budget allocated to the Ministry of National Defense?

[Tinca] It is quite obvious that the money allocated is not enough. I do not want to say that somebody is to blame for the Army's not having enough money, since the Army is not involved in politics and I do not want to engage in

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politiking. This is the overall situation that we are going through now, and I sincerely believe that the economy cannot afford any more. However, the money allocated to the Army—which has increased since 1994—also reflects a certain convulsion in the economy. I would not go so far as to say that there has been an increase, but just a sign of an increase. A good part of this money goes almost entirely toward maintaining the efficiency system I referred to earlier. Lamenting leads to absolutely nothing, other than perhaps standing out through its sensationalism. However, from a tactical viewpoint, lamenting will yield no results, because it will not lead to increasing the Army's allocation, while it will create a state of spirit not conducive to the search for solutions.

I do not mean to say that such solutions can fully replace the lack of money. However, the little that we have could go further if we were to administer it properly. Ways and means should be found to reduce waste and, let us face it, theft as well. Nobody should tell me that bricks and other materials are not being stolen from the work sites. Of course, this is not grand theft, but any money saved can help. Of course this is no solution to the problem, but it could improve the situation, particularly if it creates another mentality and state of mind when using the allocated money.

As for a lobby, we would need another 1,000 billion lei for certain purchases. For instance, we must buy aircraft, since we cannot manufacture supersonic planes. Similarly, we need money to build ships, barracks, and many other things. It is totally futile to talk about lobbies when such amounts of money are involved. It would only be a waste of time and a counterproductive effort that would further delay the adoption of the budget through extra debates in parliament. For us, it is urgent that the budget be adopted as soon as possible, since, until it is, we are consuming only 8.3 percent of its provisions. This is how things were last year. We must have the money to spend and we want to spend it smoothly, because the extant laws in the financial sphere require expenditure at a steady pace. If the money comes in leaps, the whole process of profitable spending is thwarted. One could set up a lobby, but that would lead to a rather one-sided approach to the military sphere—which would not correspond to reality, since the Army and its training and existence are deeply integrated into other spheres of social life.

The money in the budget is so little that it is very difficult to establish priorities. What would be the meaning of a decision made by either parliament or government that "the Army's budget be supplemented with 500 billion lei?" It would mean that the money must be taken from elsewhere. I do not want other spheres such as culture, education, health, and social protection, to be deprived of their fair share. The educational system is suffering a lot and its results can be felt in the Army: There is an increase in the number of illiterates among enlisted men! Should we take money from social security or health? The number of mentally unstable people in the Army is growing, and some of the enlisted men are illiterates, convicts, from various social environments, and some have serious family problems—hence the occurrence of unpleasant incidents. To give this kind of priority to the Army would mean to ruin one of the other spheres.

As for the economy and industry, what else should I say? If agriculture does poorly, I cannot feed the soldiers. I believe that such a lobby, which I would undoubtedly like to have, should stimulate the interest of industrialists and farmers. The economy will eventually recover, and the problem of priorities will arise in the years to come.

As far as reform is concerned, we could conceivably find foreign sources of financing, but this is not a decision to be made by the Ministry of National Defense. It is an overall problem, and it depends on whether the country can commit itself to such a thing. There is another possibility: namely, to struggle for smaller sums of money, in the range of several scores of billions of lei, to finish a specific target such as a hospital or a barracks. We are currently reassessing personnel expenditures so as to avoid the embarrassing situation of 1994, when, in the personnel sphere, we had to return almost 45 billion lei to the budget.

[Huc] After 1989, the foreign relations of the Ministry of National Defense have increased, preponderantly toward the West. What are the priorities in this respect for 1995?

[Tinca] Our foreign relations are extremely active and we believe that in 1995, as can be seen from the envisaged schedule of contacts, they will be at least as active as heretofore. We will be arranging some 10 visits at the ministerial level to our country; some of them have already been set. We are particularly interested in relations with the Western armies, which we call modern armies, as part of the Romanian Army's efforts to develop its foreign contacts very strongly.

Another priority consists of ties with the neighboring countries with whom we have cooperation agreements, which we are now striving to develop. The highest level of relations with our neighbors has been reached in our ties with Hungary. After [Hungarian defense] Minister Keleti's visit, we were pleasantly surprised to note that the proposals we made in Gyula last summer were being treated with great seriousness by the Hungarian side, and we received very substantial answers, to which they added proposals, so that we now have a portfolio of 14 rather interesting proposals. If these proposals are implemented, military relations between Romania and Hungary have a chance of becoming exemplary.

As far as Ukraine is concerned, the signs are rather good after the visit there by our chief of staff, Lieutenant General Dumitru Cioflina. We are always ready to meet Ukraine halfway, something which should facilitate the development of substantial relations. With the Republic of Moldova, our

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military relations are good; they are no different from the overall nature and framework of relations between Chisinau and Bucharest, but, as in other spheres—political and diplomatic—our best ally is the passage of time. With the Russian Federation, as I have often said since [Russian defense minister] Grachev's visit, I was very optimistic about the development of correct relations to the advantage of the armies of the two countries. However, Russia has a great many problems, and Romania's file is probably somewhere at the bottom of the pile. It is true that the creation of a zone of stability, a zone in which Russia can feel secure and concentrate on developing the democratic processes and economic reforms in this part of Europe neighboring it, which used to be a buffer zone in the past, would be in Russia's true interest, from an economic point of view and from the perspective of the continuation of the democratic process. In 1995, I would like to cast a glance from the "entrenchments" of the Ministry of National Defense toward countries in Asia, the Middle East, Africa, and Latin America, to consider the establishment of contacts and relations, since many of these countries have technologies of interest to us and we still have something to offer in return. I am not talking about arms sales in huge quantities, such as we made before 1989. However, there is an open area that our NATO partners are assiduously searching for, and I do not see why we cannot find certain niches for ourselves in this space. Soon, a very important time will come for Europe, which closely follows the unfolding global game with such relations.

[Huc] What is the program of activities allocated to the Romanian Army within the Partnership for Peace [PFP], and what areas are we talking about?

[Tinca] As regards the PFP, three to four very important exercises are already in the offing. However, the main part of the program consists of the steady work of preparations, contacts, seminars, exchanges of military personnel, and participation in various drills. Three of the drills will be taking place in Romania. For us, this will be the most spectacular part of it all. Many fields and subjects will be tackled during the individual PFP program, such as: arms control and disarmament; air defense; aerospace research and development; the administration of air traffic; command systems; civil defense; crisis management; democratic control of the Armed Forces; and standardization.

[Huc] How have you adjusted, as a civilian, to heading the most important military institution?

[Tinca] I have adjusted very well. I cannot revolutionize the Army. To presume anything else would mean disrespect to the Army. I would declare myself content if the idea of having a civilian at the Ministry of National Defense continues to be taken for granted by the military and society. My impression is that, except for a certain petty obstinacy, things have proceeded rather smoothly with this change, which is very important. The change has been received rather well, and I am not boasting when I say that it was comparable to that of other countries that had undergone a similar change and suffered little as a result. I would like to add that I come from the ranks of the Foreign Ministry, so I was not a political employee in either ministry, and I am trying to maintain a certain political equidistance. As a matter of fact, one success, and a quality—which is not mine but the Army's—is this equidistance and political noninvolvement, which it is still consolidating. This is a very important feature of a modern army and it is also an integral part of the reform process. My advantage has been, and still is, that I have dealt with the issues of international disarmament and security, so I have the vocabulary and a certain flexibility in this respect.

Another thing that made me not feel like an intruder was my ability to be loyal to the institution and see its interests. As a matter of fact, the Army is unlike any other institution. It is an institution of the national interest. In the diplomatic service, I have also served the national interest; therefore, I have the same kind of duty here, too, but seen from another angle. Finally, the people here are far more serious than civilians, and have a more developed sense of duty than a civilian has, no matter how high-up or conscientious he may be. The impressions of a civilian sent among soldiers and the general impression that he gets there about the Army do not coincide with outside impressions. The Army is a very difficult institution; it is not just orchestras and marches... Everybody expects the Army to do its duty at some point. Nobody knows when that time will come, but many ignore the Army's role until that point is reached. However, as an institution, the Army has a very important role to play in ensuring society's self-respect. It is a national symbol, a reason for everybody's pride, and a symbol of stability. If we manage to integrate it into civil society, I believe it can even acquire an exemplary role and become a standard of seriousness and self-respect. All these beautiful phrases may create an idyllic picture of the Army, but it is not quite like that. The Army has its own problems, like any other institution. The important thing is that the soldiers must accept the idea of a civilian leadership of their ministry.

Of course, the civilian has not come to the Army's leadership just because it is the fashionable thing to do. In the coming years, the General Staff will increasingly focus its attention on the Army's professional training, while relations with other institutions and general supervision should be exercised by the civilian part. But then, civilian ministers will come and go, as governments change. However, from a professional viewpoint, the Army will maintain its permanence and level of preparedness through this organization of its General Staff.

[Huc] Thank you, Mr. Minister.

Increased Funds for Defense Budget in 1995

95P20409A Bucharest TINERETUL LIBER in Romanian 28 Dec 94 p 7

[Article by Andrea Orza: "The State Budget for 1995—Defense Has Received an Additional 180 Billion Lei for the Air Force"]

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[FBIS Translated Text] Analyzing the defense budget in the draft law on the budget for 1995, the parliamentary commissions for defense, public order and national security have proposed that funding be increased by 18O billion lei. This money is intended for the Air Force—in particular, for the program for the modernization of MIG-21 aircraft, aircraft repairs, spare parts and fuel, so that 68-7O flight hours per year per pilot can be guaranteed in 1995. This would make it possible to deliver orders for the defense industry and to honor the Army's contracts. The two commissions think it is necessary that the Ministry of National Defense keep all the income in lei and hard currency obtained from selling its equipment in Romania or exporting it. Although the defense industry is subordinate to the Ministry of Industries, members of the commission have often requested support for investments for the R.A. de Tehnica Militara [public corporation for military technology], requests which took concrete form in the aforementioned additions. Besides the 18O billion-lei increase, the total outlays for the Ministry of National Defense were increased by an additional 11.2 billion lei. Thus, allocation for the ministry will be 2,25O.2 billion lei.

Of the 11.2 billion lei, 0.2 billion are allocated for sociocultural expenditures, 7 billion for health, and 4 billion for scientific research. It should be mentioned that the additions to the draft that were approved confirm the statements made by National Defense Minister Gheorghe Tinca when he appeared before the commission of the Chamber of Deputies.

The members of the commissions on Defense decided to recommend to Parliament that 1.2 billion lei in the budget allocated to the Special Telecommunications Service for 1995 be transferred from the "independent funds" section to the "investment expenses" section. The reason is "that the money is absolutely necessary for the modernization of special telecommunications." As for the budget funds allocated for U. M.[Military Unit] 0215, the amount allocated by the government is kept secret even from parliamentarians on the specialized commissions. The members of these commissions have decided to supplement the budget allocated to the Ministry of Interior for 1995 by 1,950 billion lei—that is: 0.190 billion lei for sociocultural projects and 1,760 billion lei for the communal economy and housing. The total amount will be 1,034.9 billion lei [as published], and the amount of money that the Ministry of Interior can keep as extrabudgetary funds, from fines received in lei and hard currency, is limited to .8 billion lei.

Socialist Party Issues Declaration of Principles

AU0702084895 Bucharest ADEVARUL in Romanian 31 Jan 95 p 2

["Declaration on Principles of the Committee of Initiative for Setting Up the Socialist Party," issued in Bucharest; date not given]

[FBIS Translated Text]

General Principles

The Socialist Party is a party of Romanian citizens with democratic beliefs, regardless of sex, nationality, religion, or social position. It is open to all those who can ensure their living conditions through work and professional skills in all social areas.

The Socialist Party is committed to supporting representational parliamentary democracy, a state of law, the separation of powers in the state, the rule of law, and the promotion of fundamental human rights and freedoms, and it carries out its activity with respect for the Constitution and the sovereignty, independence, and territorial integrity of Romania. The party respects freedom of thought and the right to cultural and religious identity and rejects all demonstrations of totalitarianism, exclusivism, chauvinism, and extremism.

The Socialist Party aims to revive the traditions of the socialist movement and the Romanian democratic left, and crucially distances itself from the totalitarian theory and practice of the political regime that prevailed before 1989. However, it does not deny the results obtained in the economic, social, and cultural spheres achieved through the work and sacrifice of the entire nation.

The Socialist Party is the party of social progress, whose major goal is to achieve in Romania a social rule-of-law state and a state of political and economic democracy. In the party's view, the social rule-of-law state must guarantee equal opportunities for assertion and development, and must ensure a civilized and dignified life for all Romania's citizens. The party wishes to promote solidarity and social justice through a policy of defending the community and the individual from the unjust division of national wealth and from the proliferation of corruption, and wishes to make efforts to ensure the stability of incomes obtained through work and professional skills, by putting to good use human intelligence and creativity, as well as by protecting less-favored groups of people.

The Socialist Party, places at the basis of its entire activity respect for, and the promotion of, national values, and supports Romania's integration into a united Europe, association to Euro-Atlantic political and economic structures, and European and regional cooperation on the basis of relations of understanding and good-neighborliness. Similarly, it considers that Romania must develop relations of cooperation for mutual benefit with all the world's countries.

The Socialist Party is open to dialogue with parties of socialist orientation, democratic left-wing parties, and all progressive forces in Romania and abroad.

Social and Economic Reconstruction

With a view to implementing its policy of material and spiritual reconstruction of Romania, the Socialist Party advocates the establishment of a legal and institutional framework incorporating measures of an economic and

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social nature capable of achieving and guaranteeing social justice, solidarity, and general progress, and capable of promoting the national interest. The party considers that the current state of general crisis in Romanian society has been caused by the absence of such measures in the policies applied by the post-December [1989] governments.

The economic policy of the Socialist Party proceeds from the premise that the existence of a functional balance between various types of property such as private, associated, and public property, and domestic, mixed, or foreign capital, which should benefit from equal treatment, is vital for the current stage of transition. The party affirms its support for the market economy by having the right to ownership and privatization guaranteed as essential factors for the attainment of collective and individual well-being. In the party's view, economic competitiveness can be achieved by applying reasonable restructuring programs the major goal of which must be directed toward modernizing technical equipment, creating a modern infrastructure, and increasing managerial competence.

The Socialist Party advocates the need for a policy of openness and for the democratization of economic and administrative options and decisions in the public interest, so as to prevent corruption and abuse. The party believes that mass privatization must be based on promoting equitable forms of the transfer of goods and stimulating material interest so that all those who, through their work, have made a contribution to the accumulation of the national wealth are be able to benefit from it. The Socialist Party opposes monopolist tendencies, unfair competition, and acts undermining certain economic sectors, and is determined to strive to stimulate the development of domestic capital.

Ensuring people's security in the sphere of food supplies represents a priority goal of the economic policy promoted by the Socialist Party. In the party's view, this can be attained both by stimulating agricultural production and the Romanian food industry and by increasing the state's role in fighting the exploitative fixing of production and delivery prices. The party is in favor of consolidating and modernizing individual peasant farms and agricultural associations through a coherent policy of granting credits, subsidies, and facilities.

In order to ensure the integration of the Romanian economy into the European and world economy, the Socialist Party believes that the first step should be to defend the national interest by promoting the domestic natural, economic, technological, and scientific—as well as the country's human—potential. Thus, it is necessary to attract domestic and foreign resources by applying a flexible fiscal system and by ensuring an adequate customs policy, favoring those that have made a contribution to promoting jobs, increasing the economic potential, and relaunching industrial production according to groups of competitiveness.

Particular attention must be paid to supporting scientific research by subsidizing it, mainly by the state and through the establishment of an appropriate institutional framework.

The Socialist Party supports the need for a hard currency policy capable of ensuring the normal operation of the economic mechanism, for foreign financing through investment, and for the revival of commercial ties in the geographic areas in which Romania used to engage in profitable commercial relations.

Through its social program, the Socialist Party advocates strengthening of the state's responsibility, as a body of balance, for correcting and reducing the negative effects of the transition; for reducing discrepancies between rich and poor; and preventing and reducing corruption, arbitrary situations, and anarchy, while seeing to it that this does not lead to the reintroduction of centralism and the authoritarian control of free initiative.

The Socialist Party advocates an active economic and social policy that should aim at relaunching investment and creating new jobs, concurrently with setting up adequate programs of professional reorientation and retraining of the unemployed.

The party believes it is necessary to reassess minimum living expenses and correlate them with the level of salaries, pensions, scholarships, and other income, thus ensuring a civilized standard of living for all citizens.

The Socialist Party speaks out in favor of unhampered access to education, culture, and qualified medical care, and in favor of having these spheres subsidized, mainly by the state.

To make adequate use of the creative potential of youth, the Socialist Party advocates stimulating the participation of young people in the cultural, social, political, and economic life of the nation by promoting and developing certain specific programs. The party believes it is necessary to take measures to improve the educational system and to offer support to schoolchildren and students. Similarly, the Socialist Party proposes to offer young people the chance to make a favorable start in life by building social dwellings for them, as well as for groups with modest incomes.

The Socialist Party supports the need to promote a policy of women's emancipation and to ensure real equality of rights and possibilities for women to assert themselves in society and in the family. Similarly, the party will strive to increase the state's responsibility in protecting family and children.

In order to fight marginalization and social ostracism, the Socialist Party urges the improvement in the efficiency of specialized state institutions and the creation of new forms of social protection and social care.

In order to ensure effective protection for consumers, the Socialist Party advocates endorsing measures to improve

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the activity of state bodies in charge of supervising and controlling the quality of products and services.

In the area of institutional reform, the Socialist Party proposes to work for the modernization and increased efficiency of state structures, state institutions, and public services, to ensure their optimal operation for the benefit of the citizen, regardless of the political orientation of the government. In the party's view, an important aspect is to increase the effectiveness of legal action, increase the role of the parliament in the life of the society, and enhance the role of the executive in applying the law.

The Socialist Party proposes to achieve a social partnership by defining a minimum platform of agreement and cooperation with political and nonpolitical forces, trade unions, professional associations, and employers' associations. The party believes that the state should play the major role in initiating and developing, in society, permanent consultation and cooperation and an open and constructive policy.

The Socialist Party regards trade unions as legitimate expressions promoting the interests of employees and as potential allies, both in achieving an economic-social framework capable of improving the standard of living and labor conditions and in establishing a real partnership between employee and employer, and between them and a rule-of-law state.

In the view of the Socialist Party, the Army represents a factor of balance and stability, in charge of defending the rule-of-law state, independence, sovereignty, and the territorial integrity of the country.

The party advocates the continuation of the process of modernizing the public order institutions in order to improve their efficiency in defending the citizens' security.

The Socialist Party wishes to make a substantial contribution to the process of modernizing Romania, and to see to it that all social groups are offered the chance to enjoy the achievements of economic, social, and cultural progress.

The Socialist Party is loyal to Romania and to the aspirations to freedom, independence, progress, and peace of Romanians. The Socialist Party is open to social dialogue. It is a promoter of morality and openness in its political actions and it wishes to be a party of the future, of the hope for a better life for workers, peasants, office workers, intellectuals, and entrepreneurs young and old alike.

All those who recognize themselves in the principles of this declaration are called upon to join the Committee of Initiative in establishing a new political group.

[signed] The Committee of Initiative for the Establishment of the Socialist Party

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Smuggler Caught Transporting Heroin in Sheepskins

AU0702084795 Bucharest ADEVARUL in Romanian 2 Feb 95 p 1

[Article by Petre Musat: "Heroin Hidden in Sheepskin"]

[FBIS Translated Text] The inventiveness of drug traffickers knows no limits. At a Western airport recently, the police discovered a suitcase made of cocaine paste. As soon as the trafficker reached his destination, all he had to do was to grind up the suitcase, dissolve the paste, and separate the cocaine from the other substances used to glue the thing together. There are chemical methods to do this in the laboratories of people dealing in drugs. As a "response" to the methods used by large-scale drug traffickers elsewhere in the world, a Romanian citizen of the town of Barlad had an even more ingenious idea for concealing the drugs: He impregnated with heroin 1,500 pieces of sheepskin, which he was transporting in his Roman-type truck with license plates reading VS 01 HWK. He was heading for the Ronald Company in Perieni with his valuable but no less dangerous cargo. We do not yet know the precise destination of the heroin seized by customs officers at the Oancea-Vaslui PCTF [border crossing with Moldova], nor do we know who the accomplices of the Barlad truck driver, Botez Toader Ion (aged 38), were, but the police are investigating the case and they have already made several arrests. It seems to be a large-scale deal!

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Russian Support for Bosnia Peace Plan Welcomed

MM0702110095 London AL-HAYAH in Arabic 4 Feb 95 p 8

[Reports by Jalal al-Mashitah in Moscow, Iskandar al-Dik in Bonn, and Jamil Rafa'il in Skopje: "Silajdzic Tells AL-HAYAH: Diplomatic Relations With Moscow Soon; Russians Informed Me of Their Commitment to Bosnia's Unity and Peace Plan"]

[FBIS Translated Excerpt] At the end of his visit to Moscow yesterday, Friday [3 February], Bosnian Prime Minister Haris Silajdzic confirmed to AL-HAYAH that he and the Russians agreed to exchange diplomatic representation. He said that the officials he talked with, especially his Russian counterpart Viktor Chernomyrdin, told him that their country was committed to Bosnia's territorial integrity within the internationally agreed borders, and also committed to the international peace plan despite the Serbs' rejection of it. Both sides agreed in principle to take the plan to the Security Council if the freeze on its implementation continued.

The Bosnian prime minister concluded his talks in Moscow yesterday. He told AL-HAYAH later that he discussed with his Russian counterpart economic and political relations between the two countries and it was agreed to establish diplomatic relations between the Russian Federation and the Republic of Bosnia-Herzegovina. Silajdzic confirmed that Russian Foreign Minister Andrey Kozyrev told him that his government "supports" Bosnia-Herzegovina's sovereignty and territorial integrity. The Bosnian prime minister saw that as "a firm foundation for relations between the two countries."

On the international peace plan, Silajdzic said: "We have agreed that the plan is final, essential, and unchangeable. The Russian Government has reaffirmed its support for it, and we discussed the possibility of submitting the plan to the Security Council and getting a resolution to that effect, that the plan should remain unchanged. That matter is now under discussion and there is great hope."

Silajdzic added: "Before coming to Moscow I was in Washington where I requested that a time limit be set for the Serbs to accept the plan, because it would be lost if left pending. Diplomatic efforts and pressure must be intensified on the Serbs to accept it."

On the possible forms of pressure on the Serbs, he said: "The Russian Government's view is that lifting the arms embargo on Bosnia should not be used as a pressure instrument.

"We have a different view. We have a legitimate and natural right to self-defense. If the international community has another way of exerting pressure, then it should use it.

"If the Russian, French, and British Governments have alternatives, then we would welcome that, but there are no such alternatives. For our part, we cannot accept continuation of the negotiations to the last Bosnian."

AL-HAYAH asked him if the events in Chechnya were the cause of the positive change in Moscow's position on Bosnia, in an attempt to find a "formula" acceptable to the Muslims. He replied: "We stressed during the negotiations that we were pained by what was happening in Chechnya. I told them that it was necessary to avoid a repetition of what happened last century and to avoid Russia becoming the target of Muslim resentment and wrath. What is happening in Bosnia and Chechnya is symbolic to the Muslims worldwide, especially in the states neighboring Russia. Kozyrev assured us that the Russian Government wants a peaceful solution to the current situation in Chechnya." [passage omitted]

Silajdzic Says Moscow Supports Sovereignty

AU0602210295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Feb 95

[Report by Senada Cumurovic on Prime Minister Haris Silajdzic's press conference in Sarajevo on 6 February—recorded]

[FBIS Translated Text] [Cumurovic] Prime Minister Haris Silajdzic's 12-day tour of several countries began with a meeting with Austrian Foreign Minister Alois Mock, who accepted the suggestion to work on making the peace process more dynamic so as to ensure that the cease-fire does not turn into a status quo. This was followed by a meeting in Brussels with EU [European Union] Commissioner for Foreign Affairs van den Broek on bilateral relations between the EU and Bosnia-Herzegovina, and the Economic Reconstruction Aid for Poland and Hungary.

The visit to the United States encompassed talks with Vice President Gore and Warren Christopher. The main difference in the position of the Administration and the Senate and Congress—whose representatives Prime Minister Silajdzic also met—is on the issue of the embargo. Here is how Dr. Silajdzic summarized the position that he maintained in the United States:

[Silajdzic] Our position was that we, Bosnia-Herzegovina, have accepted the peace initiative and all other initiatives so far. Therefore, we expect the international community to compel the other side also to accept the peace plan. We believe that a time limit has to be set for this, for the acceptance of the peace plan. We moreover came up with an initiative that this plan, having been accepted by the legal Bosnia-Herzegovina Government and since it focuses on the internal reorganization of Bosnia-Herzegovina, can and should be submitted to the UN Security Council for acceptance so that it becomes official.

As far as meeting with senators and congressmen was concerned, that is, in the Senate and the Congress's House of Representatives, I believe that we have received the support of the Congress for measures that

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need to be taken in order to achieve peace, even if that means lifting the embargo. If the embargo is not lifted multilaterally—and we requested that it be lifted multilaterally, that all countries lift it, and since we believe that, regardless of how multilateral it is, it nevertheless has unilateral responsibility—the United States should, in the extreme case, lift it unilaterally.

[Cumurovic] The final argument that Prime Minister Silajdzic put forward in the United States pertains to the international community's obligation either to solve the issue of Bosnia or to allow us to defend ourselves. Prime Minister Silajdzic's two-day visit to the Russian Federation consisted of two parts: talks with his Russian counterpart Chernomyrdin, which focused on furthering economic cooperation, and a meeting with Russian Foreign Minister Kozyrev.

[Silajdzic] At this meeting, the Russian Government expressed its full support to the territorial integrity and sovereignty of Bosnia-Herzegovina. The Russian Government will in the future process insist on the mutual recognition of the countries or states that have emerged on the territory of former Yugoslavia. Therefore, mutual recognition. The Russian Government in this context suggested that, if possible, dialogue with Belgrade should be cultivated. This is a suggestion which, I am sure, will provoke attention and careful examination here in Sarajevo. As far as the visit to Russia is concerned, I believe we can assess it as successful, particularly since on that day we agreed to make our interstate relations official; Russia will send its representative to Sarajevo, and we already have our representative in Moscow. Therefore, this was a successful visit and we hope to further our relations and continue cooperation.

[Cumurovic] At the weekend, a meeting was held in Munich between representatives of the Bosnia-Herzegovina Federation and international negotiators chaired by U.S. Undersecretary for European Issues Richard Holbrooke. The topic of the meeting was ways to improve the functioning of the federation. The result is a nine-point plan and the definition of the function of arbiter. According to Silajdzic, what marked this successful meeting was ...

[Silajdzic] ... the fact that the U.S. senators called the aggression by its proper name, that is, aggression. Everyone supported the Federation and concluded that the Federation is the key to solving the problems and the key to peace, not only in the former Yugoslavia but also throughout the region.

[Cumurovic] The journalists' questions mainly referred to the Contact Group plan. Dr. Silajdzic stated the essence when he said that there had been no talk of any changes to the plan in the course of his several-day visit to Austria, Brussels, the United States, Moscow, and Munich.

Strain Within Presidency Over Army Viewed

AU0702085495 Zagreb VECERNJI LIST in Serbo-Croatian 3 Feb 95 p 8

[Article by S.Lovrenovic in Sarajevo; date not given: "Izetbegovic and Ganic Alone"]

[FBIS Translated Text] Five of the seven members of the Presidency of the Republic of Bosnia-Herzegovina, Dr. Ivo Komsic, Stjepan Kljujic, Dr. Nijaz Durakovic, Dr. Mirko Pejanovic, and Dr. Tatjana Ljujic-Mijatovic, have written an open letter of protest against the politicization and religious attributes given to Bosnia-Herzegovina Army troops. They claim that a one-national politicized army is being created in this way, which presents a great danger to the multiethnic and multiconfessional character of Bosnia-Herzegovina. Although they did not specify Izetbegovic's address to the 7th Muslim Brigade of the Bosnia-Herzegovina Army in Zenica in late January, it is clear that this was a reason to address the public and for some of the Presidency members to distance themselves from the president and his "permanent" deputy.

Members of the Republic's leadership, Komsic, Pejanovic, and Durakovic, who are not members of the Party of Democratic Action [SDA], had earlier claimed that there were two kinds of members within the Presidency—"those who are a little more equal and those who are a little less equal." Moreover, they said that many important decisions had been made without the Presidency, which is the collective head of state, being privy to them, allusions to agreements reached by President Izetbegovic's office and the ruling party.

Izetbegovic and Ganic's offices quickly responded to the criticism and an announcement supporting the two arrived from the Bosnia-Herzegovina Army Headquarters immediately afterward. Izetbegovic and Ganic claimed that the issue of religion was up to the individual and that no one had been or would be denied the right to express his religious or any other affiliation. Furthermore, they pointed out the specific feelings of the refugees and the brigades consisting mostly of such people from the occupied areas, and mentioned the immense sacrifices and merits of the brigades to which the "letter of the five" refers. They insisted that all Bosnia-Herzegovina Army units, including the above, were fighting for an integral Bosnia-Herzegovina, which is one of the criteria for top officials to honor them.

The army announcement expresses support for the "state leadership," which clearly means Izetbegovic and Ganic and not the majority of the Presidency members. The Bosnia-Herzegovina Army reiterated the stance taken in Izetbegovic's public address, and expressed its determination to "persist in the struggle for an integral and democratic Bosnia-Herzegovina," adding that they would continue to respect the religious feelings of individuals.

This has undoubtedly caused some strain in relations within the collective head of the Republic of Bosnia-Herzegovina. Observers in Sarajevo have pointed out

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that some of the Presidency members—Mirko Pejanovic and Ivo Komsic—may resign, in which case Nijaz Durakovic and Tatjana Ljujic-Mijatovic would probably do the same.

Moreover, it is highly significant that Bosnia-Herzegovina Army Headquarters said that it would continue to obey the decisions of the political authorities and the supreme command, which, according to the Constitution of the Republic of Bosnia-Herzegovina, is the Presidency of Bosnia-Herzegovina as the collective head of state. The only question now is who represents the Presidency. Are the votes of five of its members more important than those of two, one of whom is quite certainly the indisputable Bosniak leader, Alija Izetbegovic? This question could easily give rise to a political struggle, especially since the minor opposition has lately been trying to consolidate its forces, dissatisfied with the SDA's total takeover of all the positions in that part of Bosnia-Herzegovina under the control of the army.

French Envoy Briefs Izetbegovic on EU Efforts

AU0602192695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Feb 95

[FBIS Translated Text] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, today received French Ambassador to Bosnia-Herzegovina Henri Jacolin. Ambassador Jacolin informed President Izetbegovic about the European Union [EU] and West European Union's [WEU] joint demarche addressed to the authorities of the so-called Herceg-Bosnia.

Prompted by this, the ambassadors of France and Portugal—countries presiding over these two organizations—also paid a visit to Bosnia-Herzegovina Federation President Kresimir Zubak and Mijo Brajkovic, mayor of the western part of Mostar.

The Croatian side was asked to immediately remove all obstacles hindering the formation of joint, Bosniak-Croatian-European police forces as specified by the signed agreements and to invest additional effort into implementing the Federation. During their visit to Herzegovina, the two ambassadors also met with Mostar Mayor Safet Orucevic and informed him of the EU and WEU's activities.

President Izetbegovic stressed that the legitimate Bosnia-Herzegovina authorities and he personally are firmly committed to the implementation of the Bosnia-Herzegovina Federation.

Ljubijankic: Munich Plan Very Promising

AU0602165495 Paris AFP in English 1624 GMT 6 Feb 95

[Report by Nathaniel Harrison]

[FBIS Transcribed Excerpt] Sarajevo, Feb 6 (AFP)—The Bosnian Government Monday [6 February] hailed a just-approved nine-point plan to salvage the country's year-old Moslem-Croat Federation and said it was banking heavily on a proposed mediator.

"It is very promising and we welcome the results of the meeting," Foreign Minister Irfan Ljubijankic told AFP, a day after leaders from Bosnia, Croatia and the Federation itself met in Munich to shore up the fledgling alliance.

"We now hope the nine points will be applied because they offer a solution that has no alternative." [passage omitted]

The Munich talks provided for the nomination of an international mediator to resolve fundamental differences plaguing the alliance. The mediator would be nominated by a person chosen by agreement of the parties.

Holding the Federation together, according to Ljubijankic, "needs urgent and energetic action under supervision and arbitration. Without that neutral and just partner, we can't advance the (Federation) agreement." He said the initial accord had been "misinterpreted" in many of its details, prompting disagreements between the parties and impeding its implementation.

Besides the nomination of a mediator to iron out such conflicts, the Munich plan calls on the sides to provide constitutional law experts and mediation "sub-groups" to work on specific problems. The groups would in turn cooperate closely with European Union officials helping to administer the southern city of Mostar, a mixed Moslem-Croat community that is the centerpiece of the Federation. But Mostar too has had its problems. The two communities are still geographically separated and have yet to form a common police force.

Ljubijankic said his government saw the Federation as one linking mixed cantons, the largest of which are centered in Mostar and central Bosnia, rather than as an alliance of Moslems and Croats.

Sarajevo authorities are determined to preserve the country's traditional "multiethnic and multicultural identity" and want above all to "avoid the creation of exclusively national states" within Bosnia, according to the foreign minister. For that reason, he added, the Federation should be considered a geographic amalgam rather than a combination of ethnic groups.

Taking part in the Munich talks were Croatia's foreign and defense ministers, Mate Granic and Gojko Susak, and Bosnian Prime Minister Haris Silajdzic. The Federation was represented by its interim president, Kresimir Zubak, a Croat, and its Moslem vice president, Ejup Ganic.

LBO Urges End to 'State Duality'

AU0602171595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 6 Feb 95

[Report by Samir Huseinovic on the Liberal Bosniak Organization news conference—recorded]

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[FBIS Translated Text] The Liberal Bosniak Organization [LBO] warned of the detrimental repercussions that the arguments among the Bosnia-Herzegovina Presidency members could have in the public. The arguments have lately been unfolding in the media and through various statements rather than within the republic's Presidency.

As far as the repeated discussion between the Party of Democratic Action [SDA] and the Croatian Democratic Community [HDZ] that are mutually accusing each other as to who is hindering the implementation of the Washington Agreement is concerned, academician Muhamed Filipovic believes that this is detrimental to our country's interests. All controversial issues that are hindering the process of implementing the federation must primarily be addressed by the Constituent Assembly [of the Bosnia-Herzegovina Federation] with the active participation of all political parties.

It is the LBO's position that the state duality of the Republic and Federation should be discontinued, and that the Federation's legislation should be implemented throughout Bosnia-Herzegovina. Asked to give his opinion of the sequence of events in our country and the direction of possible solutions to the crisis, LBO President Muhamed Filipovic warned that war was inevitable if Karadzic's Serbs refuse to sign the Contact Group plan. It is necessary to assess Milosevic's position and establish whether he has the strength to influence the so-called Federal Republic of Yugoslavia's decision to recognize Bosnia-Herzegovina. This would invalidate the last argument of the aggression on our country. The nonrecognition of Bosnia-Herzegovina maintains the motive for war and that is the key to solving the crisis, LBO President Muhamed Filipovic concluded.

SGV Discusses Proposal of Constitution Amendment

AU0602210195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Feb 95

[FBIS Translated Text] The Serbian Civic Council [SGV] of Bosnia-Herzegovina today held a session at which it examined the future progress of activities pertaining to the proposal for an amendment to the Constitution of the Bosnia-Herzegovina Federation—submitted earlier—which pertains to the constituent quality of the Serbian people in the Federation Constitution.

The talks held between the SGV and Charles Thomas, U.S. representative in the Contact Group, were also reviewed. It was concluded that the amendment—submitted to the Constituent Assembly in March 1994—should be discussed with the leadership of the Bosnia-Herzegovina Federation.

Akashi Tells Silajdzic No to Bihac Airdrops

AU0602154895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 6 Feb 95

[Report by Nada al-Isa from Zagreb]

[FBIS Translated Text] Prime Minister Silajdzic on two occasions today talked to Yasushi Akashi at the UN Protection Force [UNPROFOR] Headquarters in Zagreb. Only one topic was discussed—the grim humanitarian situation in Bihac and the possibility of opening humanitarian supply routes—that is, the delivery of humanitarian aid.

Prior to his meeting with Akashi, Prime Minister Silajdzic phoned Bihac in order to learn the current situation. The situation, he reported, is catastrophic. There is no food whatsoever and people are hungry and are dying of starvation. Prime Minister Silajdzic informed Yasushi Akashi of this fact and demanded that the humanitarian supply routes be opened immediately so that the population is at least spared starvation. Silajdzic requested that an airdrop be organized if UNPROFOR is unable to open the land routes. Yasushi Akashi, however, said that this was out of the question because it would, so he claimed, expose NATO planes that would be taking part in the airdrop operation to the danger of being shot down by the enemy. In this way, Akashi yet again demonstrated the international community's indecisiveness. He moreover broke the promise of this same international community, which he represents, from September 1994 when it promised that NATO planes would escort even UNHCR convoys travelling to Bihac by land routes. However, Yasushi Akashi and the international community are not even sanctioning an airdrop operation or the NATO planes air operation.

Concluding the talks, Yasushi Akashi told Silajdzic that he understands that the humanitarian situation in Bihac is bad, to which Prime Minister Silajdzic retorted that the humanitarian situation is not bad, it is catastrophic and dramatic.

UNHCR: Convoys Blocked, Hungry Demonstrate

AU0702112495 Paris AFP in English 1013 GMT 7 Feb 95

[FBIS Transcribed Excerpt] Sarajevo, Feb 7 (AFP)—UN food convoys are being impeded by anti-government forces in northwest Bosnia's troubled Bihac pocket, where nearly 100 hungry people staged a demonstration Monday to demand assistance, a UN spokesman reported here.

Local authorities in Bihac town have suspended food distribution to avert public unrest that could erupt as people fight for staple goods, said Kris Janowski, a spokesman here for the UN High Commissioner for Refugees [UNHCR].

Monday's protest took place in the town, a UN-designated safe area in the south of the pocket, with people gathering outside the local administration and in front of the UNHCR office, Janowski said. A senior Bihac municipal official, Hamidja Kabiljagic, was reported in the daily OSLOBODENJE Tuesday as saying that 47 people have died of hunger—many of them children—at the local hospital in the

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last two months. "We cannot confirm that people are dying of hunger," Janowski said. "But certainly the elderly are in difficulty."

Only six UNHCR convoys reached the Bihac pocket in January, carrying 300 tonnes of food, according to Janowski, who said the area needs 1,900 tonnes a month. "If in the next 60 days there is no stabilization in convoy movement the situation will become critical," Janowski warned. [passage omitted]

Joint Commission Meets at Sarajevo Airport

AU0602160095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 6 Feb 95

[FBIS Translated Text] A meeting of the central joint commission-established on the basis of the cessation of hostilities agreement dated 31 December 1994 and the document defining the implementation of certain tasks dated 11 January 1995—was held at Sarajevo airport on 5 February.

B-H General Staff Commander Brigadier General Enver Hadzihasanovic and Brigadier Generals Mustafa Hajrulahovic and Vahid Karavelic participated in the commission's work on behalf of the Bosnia-Herzegovina Army, while Amir Hadziomeragic, assistant minister for relations with the United Nations participated on behalf of the government.

The principal topic addressed at the meeting was the definition of relations and sphere of influence of the central and regional joint commissions that were established in earlier documents in order to define the demarcation lines and establish the positions of monitors for overseeing the cessation of hostilities. It was decided that all decisions made by the regional joint commissions need to be verified by the central joint commission. Moreover, priority tasks of the regional joint commissions were also defined, as were time limits for their implementation. It was particularly stressed that the regional joint commission for Bihac should carry on with its work in accordance with the agreements dated 23 and 31 December 1994 and decision dated 11 January 1995.

It was agreed that the next meeting of the central joint commission would be held at the commander level and that it would address the issue of international documents. The decisions adopted at last night's meeting were signed by Brig. Gen. Enver Hadzihasanovic on behalf of the Bosnia-Herzegovina Army, Brig. Gen. Zivko Budimir on behalf of the Croatian Defense Council, Gen. Milan Gvero on behalf of the Serbian aggressor, and Gen. (Brinkman) on behalf of the UN Protection Force.

Croat Municipality in Agreement With Bosniaks

AU0602175395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT Feb 95

[FBIS Translated Text] A Croatian municipality in Stup [Sarajevo district] can only be formed in accordance with legislation and with mutual agreement, (?Venco) Lasic, secretary of the city committee of the Croatian Democratic Community [HDZ] of Sarajevo, stated.

Lasic believes that all economic and other conditions exist for forming a Croatian municipality in Stup. However, in the spirit of implementing the federation Constitution and respecting the Law on Local Self-Management, we wish to establish with the representatives of the Bosniak-Muslim people a modern organization of Sarajevo as the capital of the Bosnia-Herzegovina Federation.

Lasic says that certain extremists are opposing this and it should not be generalized. Although the draft law on local self-management invoked by the HDZ city committee still has not passed the regular assembly procedure, Lasic stressed that the request for the formation of a Croatian municipality is not premature and that it is just a message to the state leadership that the Croats have economic and other interests in forming their own municipality, but only after legal conditions have been created and in agreement with the Bosniak-Muslim people.

Continuing 'Serb Terror' Reported in Banja Luka

LD0702092895 Zagreb Radio Croatia Network in Serbo-Croatian 2300 GMT 6 Feb 95

[FBIS Translated Text] The community of Croats in northwestern Bosnia warns that the Serb terror against Croats in Banja Luka and the Banja Luka region is continuing. The mobilization of male Croats aged between 18 and 65 has begun. People are hiding and fear revenge and being forced into going to the front.

The latest call-up for mobilization on 8 February is going out to all Croats, including those who have returned from the Glamoc and Grahovo fronts where they acted as human shields for Serb soldiers.

The Serbs are perpetrating unprecedented terror against the Croat villages of Simici, Sargovac, Bukovica, Trn, Kozara, Cerici, Misin Han, and Ivanjska. They are entering houses and looting and plundering everything they take a fancy to. The Croats are just fleeing. Every week, two busloads of people depart from these villages. People are in panic and have no protection whatsoever. They have been left to the mercy or otherwise of armed chetniks.

Karadzic Questions Usefulness of Proposed Summit

AU0702085395 Paris AFP in English 2312 GMT 6 Feb 95

[FBIS Transcribed Text] Belgrade, Feb 6 (AFP)—Bosnian Serb leader Radovan Karadzic Monday downplayed a proposed summit on the former Yugoslavia, saying such a forum could not impose any decision on his faction.

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Saying he "had no problem" with such a meeting, Karadzic nonetheless insisted that if the presidents of Bosnia, Croatia and Serbia met as called for by France, "they cannot decide anything on behalf of the Bosnian Serb republic," the Belgrade-based BETA news agency said.

Karadzic said President Slobodan Milosevic of Serbia, the Bosnian Serbs' former patron who halted aid to them last year under intense international pressure, "cannot exercise any influence" that would force Bosnian Serbs to accept a peace plan devised by the so-called contact group on Bosnia.

"To expect the Bosnian Serb republic to accept this plan is to lack realism," BETA quoted Karadzic as telling Serbian television. The plan, accepted by the Bosnian Moslems and Croats, would force the Serbs to give back about a third of the land they have conquered in the 34-month-old Bosnian war.

Among other things, the Serbs complain that the territory assigned to them under the plan comprises disjointed parcels of land of little value and with no access to the sea.

France last week called for a summit among Milosevic and presidents Alija Izetbegovic of Bosnia and Franjo Tudjman of Croatia. The French Foreign Ministry said Monday the other four members of the contact group—Britain, Germany, Russia and the United States—had agreed in principle to the summit proposal.

EU [European Union] foreign ministers meeting in Brussels endorsed the French proposal on Monday. They said a summit could pave the way for a new international conference on the former Yugoslavia and permit mutual recognition of its former component republics.

Krajisnik: War Rules Out Greater Democracy

LD0602225895 Belgrade SRNA in Serbo-Croatian 2104 GMT 6 Feb 95

[FBIS Translated Text] Sarajevo, 6 Feb (SRNA)—Commenting for SRNA on the demand of opposition parties that elections be held in the Srpska republic, Momcilo Krajisnik, speaker of the Bosnian Serb assembly, explained that the constitution explicitly says that the mandate of the assembly and all deputies is extended until the war or the state of the direct threat of war ends.

"In my opinion the constitution must be respected and there cannot be any dilemmas here. On the other hand, I believe that we do not need any interparty fighting and party one-upmanship while there is a war on. However, as soon as it is over and we have met the goals we have set ourselves—the setting up of a state and the freedom of the Serb people—it is inevitable that within an optimum time scale we will hold elections," Krajisnik stressed.

Speaking about the stance of the opposition, according to which it is possible to organize elections during a war in which three plebiscites have been held, Krajisnik says:

"I believe that such an interpretation is based on a misunderstanding, not to say deceit. Holding elections is not the same as organizing a plebiscite on a single issue. In a plebiscite, all citizens decide on crucial questions regardless of which party they belong to.

"Special preparations were not necessary in this case. If elections were held, life would have to come to a standstill because parties need to make preparations. Such a situation would most suit precisely the ruling party because it has already animated citizens, and citizens are aware of the policies of the Serb Democratic Party [SDS] so that other parties would be at a disadvantage."

According to Krajisnik, the organization of interparty campaigns and one-upmanship in a war would lead to a weakening in the military field. Asked whether ultimately it is moral to speak about so-called wartime democracy, Krajisnik says: "It is true that perhaps for the first time in history we have allowed democracy during a war and a mixture of civilian peacetime life and wartime circumstances. We cannot advocate greater democracy than we have today, in view of the fact that we have the maximum degree of wartime democracy: any more and we would be jeopardizing our struggle."

According to Krajisnik, not a single citizen of the Srpska republic has been held responsible for promoting ideas discarded by the people at their referendum. "Freedom is granted to everybody, as much as possible. However, calling for more democracy in this kind of situation is anarchy and, instead of realizing national goals, some are calling for democracy to realize certain political goals of their own."

Asked by SRNA to respond to statements by certain deputies of the ruling SDS, which are similar to the opposition's demands, Krajisnik said: "Some find that our republic is a suitable area for exerting influence on the leadership of the SDS and many of its members to create forces that will strongly influence our decision regarding the Contact Group's plan. Many people are not aware of this and are not shrewd enough to defend themselves from such influences, i.e., someone very cunning is abusing them."

Krajisnik rejects claims according to which certain statements, mainly from Bosnian Krajina, are malicious attempts to weaken the Srpska republic. "People from Krajina are great patriots and they will do everything so that we can create our state. Individual statements oblige us to place certain topical issues on our assembly's agenda so that we can discuss them," Krajisnik said.

He said that Serbs achieved full unity in the Srpska republic and that there were no reasons for regionalism and disunity.

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MONITOR Claims Milovanovic Resigned

AU0602203195 Podgorica MONITOR in Serbo-Croatian 3 Feb 95 p 14

[Article by Vladimir Jovanovic: "Rift in Pale"]

[FBIS Translated Text] According to reports that were confirmed on Monday night [30 January], everything is boiling in Pale. On the night between Friday and Saturday, there was a serious quarrel between the leaderships of the Bosnian Serb civilian and military authorities. General Manojlo Milovanovic, chief of the general staff of the RS [Srpska republic] army (Mladic's deputy), demonstratively tore off his epaulets and trod on them in the presence of Karadzic and his closest aides. In his fury, Gen. Milovanovic said he no longer wanted to be part of the Serbian army.

On Sunday night, Gen. Milovanovic, who has had a heart condition and suffers from high blood pressure, had a heart attack. There is no information at present on his condition.

The RS news agency SRNA is refusing to confirm this report. We have unofficially learned that they do not have permission, but that a statement will be issued later on how Karadzic allegedly replaced Milovanovic.

What is the reason for this serious rift?

MONITOR has been claiming since November that there are major disagreements between the civilian and military structures in Pale. In issue No. 213, we published excerpts from a letter that Gen. Mladic had sent to Karadzic, in which he claimed that the material situation in the army was catastrophic. We ended the article with the conclusion that the "unrealistic plans" of Mladic and the Pale generals are leading to a clash with the civilian authorities.

The "unrealistic plans" in that case referred to the plan to capture Bihac. It was in fact Gen. Milovanovic who led the Serbian attack on the western Bosnian enclave, but this attack turned into a fiasco. The Bosnian forces there continue to control the strategic positions taken during the October offensive.

What has happened on the front in the meantime?

In the night between 14 and 15 January, General Dudakovic [B-H Army 5th Corps commander] and his special forces, deployed in units better known as "Tigrovi" and "Surgani," launched a sudden attack south of Bihac. He routed the Lika Brigade consisting of Krajina Serbs from the left flank and forced them to flee. He then came up from behind the 15th Serbian Bihac Brigade. Confirmed reports reached Serbian headquarters in Han Pijesak that at least 40 Serbian fighters were killed and at least another 70 were registered as missing.

Earlier, in December, one unit on the Serbian lines near Bihac staged a mutiny. In Zvornik, in a clash between the fighters from the Zvornik garrison and the guards brigade, there were also casualties.

It appears that Karadzic is blaming Gen. Milovanovic for everything. It is certain that prior to this, Gen. Milovanovic, with the support of Gen. Milosevic (commander of the Sarajevo-Romanija Corps of the RS army), had sharply protested that his men were receiving only 50 dinars a month (and that irregularly) and that they are hungry and frozen.

It appears that the theory that Bihac is fatal for the Serbs has come true. A large amount of equipment has been wasted. Gen. Dudakovic has enough strength to threaten Serbian positions again next spring. UN observers describe his men as incredibly able fighters.

Some sources claim that in the area around Velika Kladusa they pushed the Krajina Serbs deep into Croatian administrative territory.

Gen. Mladic has been and remains the main enigma. His view on this turmoil is not known. It is possible that he will try to smooth out this dispute, although many people are skeptical about it.

The magazine INTERVJU, relying on sources at the Serbian UDB [State Security Administration], writes that there is a dispute over a chain of department stores and the Centrex monopoly between Karadzic and Krajisnik. At the same time, an influential group of seven deputies from the Pale assembly has made serious accusations against Karadzic in an open letter regarding his views on the Contact Group's plan.

The only thing certain at this moment is that events in Pale are changing at an incredible speed.

Karadzic Adviser: Complete Unity in Leadership

AU0602165395 Belgrade NASA BORBA in Serbo-Croatian 6 Feb 95 p 3 (tentative)

[FONET-attributed report: "Karadzic in Best Relations With His Commanders"]

[FBIS Translated Text] Pale—Jovan Zametica, adviser to the president of the Srpska republic (RS), stated with regard to the report on the alleged resignation of Manojlo Milovanovic, chief of the general staff of the RS army, that RS President Radovan Karadzic "has maintained the best relations with his commanders since the beginning of the war."

Zametica stressed late last night that at times "these relations became close, friendly relations."

"It is obvious that some circles are bothered by the fact that there is complete unity between the political and military leaderships and are trying to present a rift that has never existed in this way. It is also incorrect that General Milovanovic has suffered a heart attack." This was stated in a communique issued by the office of the RS president.

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Susak, Zubak on Munich Talks, UNPROFOR

LD0602130095 Zagreb HTV Television in Serbo-Croatian 2150 GMT 5 Feb 95

[Interview with Croatian Defense Minister Gojko Susak and Bosnia-Herzegovina Federation President Kresimir Zubak by reporter Tihomir Ladisic on the "Slikom na Sliku" program; in the studio—live]

[FBIS Translated Text] [Ladisic] You have returned from Munich where most attention today was devoted to separate talks with political and military officials from the Contact Group and the United States. Political and military assessments regarding today's talks are of particular interest to us if we take into account Croatia's decision not to extend the UN Protection Force [UNPROFOR] mandate. Mr. Susak, what was the reason for your optimistic statement after the talks.

[Susak] Well, we held talks with U.S. Secretary of State Perry [as heard], Chief of Staff General Shalikashvili, Mr. Holbrooke, several senators, and several ambassadors including Ambassador Galbraith. I represented the Croatian side. We discussed three topics—our decision regarding UNPROFOR's withdrawal, negotiations with the Serbs, and problems regarding implementation of the Federation.

[Ladisic] Let me ask you about the first issue—the UNPROFOR withdrawal from Croatia. How did the Americans respond to that decision and what is the significance of Croatian, U.S., and NATO cooperation in connection with UNPROFOR's withdrawal.

[Susak] We analyzed the situation. Let us be clear, the U.S. standpoint—and they reiterated it clearly—is that our decision regarding UNPROFOR's withdrawal is premature at this stage. They think that more time is needed. However, they accept our arguments and now we have to find a way of involving NATO and consequently the Americans to secure UNPROFOR's safe withdrawal. I said, and that was also the president's message, that Croatia will not cause any problems and that it will cooperate with NATO in all aspects—logistics and all other aspects—to secure UNPROFOR's safe withdrawal. The relationship between UNPROFOR and NATO is the problem because NATO will not take part unless it does not command the operation. Mr. Butrus Ghali and Mr. Akashi think that they should be in command. This is something that they will have to resolve among themselves.

As far as Croatia is concerned, there are no indications that this will have negative effects on us. Our decision was accepted as a decision of a sovereign state which has the right to do so. They pleaded with us not to start a war. We said that over the last three years Croatia has not considered the war option. I reiterated this and there is no reason for them to doubt this. However, I said that we cannot continue to tolerate this impasse in the UN-Protected Areas indefinitely. UNPROFOR's presence here, or its withdrawal, have no bearing on this standpoint.

[Ladisic] Were there any serious ideas and discussions about replacing UNPROFOR troops with NATO forces in Croatia, or in Bosnia-Herzegovina?

[Susak] The Americans asked—this position has been known for a long time—whether there is any other way in which the international community can be present, such as NATO or the European Union [EU]. It seems that there have been some signals showing that Europe wishes to play a more constructive role, or a more direct role in the resolution of the problem. We are open to negotiations on every option, apart from this one on UNPROFOR remaining in its present form.

[Ladisic] With its present mandate?

[Susak] Yes.

[Ladisic] One more question in connection with UNPROFOR: Both UN Secretary General Butrus Ghali and Yasushi Akashi mentioned recently that the decision on the UNPROFOR departure will mean UNPROFOR's immediate departure from Bosnia-Herzegovina. Did you discuss it—does the UNPROFOR departure from Croatia mean a simultaneous withdrawal of UNPROFOR from Bosnia-Herzegovina?

[Susak] It is up to them, not up to Croatia to decide. They have a separate agreement with Croatia, and a separate agreement with Bosnia-Herzegovina. Croatia has made its decision. What sort of decision Bosnia-Herzegovina is going to adopt and how it will cooperate with them—this is up to them to decide.

[Ladisic] The second question refers to the forthcoming meeting between Minister Granic and Serbian [as heard] Minister Jovanovic in Belgrade. You have been warned that a new plan on a possible division of Bosnia-Herzegovina, as foreign media have said, would be unfavorably received by the international community.

[Susak] This is something that the Americans, this morning at the meeting... [Susak pauses] Actually, several senators were in attendance at the meeting this morning, not marginal ones, both Republicans and Democrats. They have the so-called bipartisan view, which means that both parties have coordinated their views, that an agreement reached by Serbia and Croatia on the resolution of problems and mutual recognition may not be to the detriment of Bosnia-Herzegovina. I reiterated that Croatia will never do it, that negotiations that we have had with Serbia, with Milosevic, are aimed at normalizing relations between Croatia and Serbia within internationally recognized borders. This has nothing to do with Bosnia-Herzegovina, and Croatia will not make a single move to the detriment of Bosnia-Herzegovina. However, it will play a constructive part in resolving the problem in Bosnia-Herzegovina, and will protect the interests of the Croat people in Bosnia-Herzegovina.

[Ladisic] Mr. Zubak, the plan includes nine points to help breathe life into the newly established Federation

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and resolve these currently open problems. Point one of the plan envisages the appointment of an international arbiter. Who would that arbiter be, whom would he represent, and what sort of decisions would he be able to make?

[Zubak] This arbiter has not yet been nominated. We, Croats and Bosniak-Muslims, have to voice our opinion on who this will be. It is necessary to reach an agreement on who this will be.

In arbitration, as far as international arbitration is concerned, it is widely known that we, Croats from Bosnia-Herzegovina, hold the view that under the present circumstances—as we have reached an impasse in implementation of the Federation's constitution and of all agreements that serve implementation of the Federation's constitution—we ourselves have suggested to those who sponsored the federation, in this case to the United States, to take a more active role and to act as an arbiter if necessary, and if we cannot reach a solution among ourselves to tell us how, in what way, which methods to use to implement the constitution.

[Ladisic] To what extent did differences emerge at the meeting today between Croat and Muslim federal representatives?

[Zubak] Without doubt, differences exist in the interpretation of the constitution. However, I said today, and I am reiterating again: These differences are not of such a nature as to create tensions between the two nations. This is best confirmed by the fact that both the Croat and the Muslim nations are willing to implement these agreements; they wish to build a federation.

Differences exist in interpretations by the two political leaderships as regards those agreements that we have already concluded. All problems stem from different interpretations of relations between the government institutions of the Republic of Bosnia-Herzegovina and the Federation of Bosnia-Herzegovina. This is what the essence of the dispute is.

We, Croats, interpret the agreement reached in Washington in the following way: With the creation of the Federation, competences and powers of institutions of the Republic of Bosnia-Herzegovina cease to exist or are weakened. According to how we view the interpretation of the Washington Agreement by the Muslim-Bosniak people's representatives, they would like to extend the life of these institutions, not only to extend their life, but to put them into a superior position in relation to federal institutions and bodies of power, which we cannot accept. This is the essence of the dispute.

[Ladisic] Did you feel again today that most of the Federation-related pressure, as regards Mostar, was directed at the Croats? If so, why?

[Zubak] The view according to which it is the Croats who are slowing down, blocking the process of installing the EU administration in Mostar is completely wrong. We expected a memorandum on Mostar, we signed it in Brussels and endorsed it again in Geneva. We are positive that we are going to implement it.

However, we pointed out to officials in the EU administration in Mostar that this process of consolidating, that is restoring confidence and restoring relations between us and Bosniak-Muslims, cannot proceed independently of the processes taking place in other areas of the Federation. We believe that this should be a synchronized process and that it is impossible to install some new system in the area of Mostar alone without building the institutions of federal authority at the same time, particularly the federation's legal system.

In Mostar itself the Federation's legislation must therefore be applied. You know that Mostar is now split into two zones. The legislation of the Croat republic of Herceg-Bosna is being applied in one part and the legislation of the Republic of Bosnia-Herzegovina is being applied in the other part. In order to overcome this situation the federation must draw up its own plan and system which the EU administration must implement in the town of Mostar. Hence, this has to be a synchronized, parallel process.

[Ladisic] It seems that one of the quite important matters at the very bottom of this plan is that the United States is expected to send a high-ranking retired officer to integrate federal military institutions. What are the results of this attempt to set up a strong army of the Bosnia-Herzegovina Federation? What will it look like, what kind of army will it be? Are there still open problems in this sphere?

[Zubak] In order to reach our final goal as defined by the Federal Constitution—the building of the Federation's Army—we must reach and go through several stages. There are now two military components—the Croat Defense Council [HVO] and the Bosnia-Herzegovina Army. The Croats are of the opinion that this should take place gradually and that the first phase is to set up a joint headquarters. In the second phase this headquarters should be granted wider competences and powers. The Federation's president and vice president should be in command of this headquarters.

The concept advocated by representatives of the Muslim people is different. To put it simply—at least this is how we interpret it—they want and try to absorb the HVO within the organization and structure of the Bosnia-Herzegovina Army, something we cannot accept. It was precisely we who insisted and suggested that this is what we favor; and you see, it has been agreed that retired U.S. officers will be involved in this process so we can have common, allied forces in the first phase and armed forces of the federation at some future point.

[Ladisic] Mr. Susak?

[Susak] Good that you spotted those two items out of the possible nine because these two are Croat suggestions.

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We are aware of this and this is what we have demanded of the Americans for a long time since they are either witnesses or cosignatories to the Washington Agreement as well as initiators, just like Croatia. We must have some kind of responsibility in this, the role of arbiter and the role of U.S. officers in building not a strong army but what kind of army in Bosnia-Herzegovina. [sentence as heard] We expect their help. And this is what we accepted today.

[Ladisic] What is your opinion on potential togetherness or, eventually, cooperation between an army [of Bosnia-Herzegovina], or the Federation's common Army and the Republic of Croatia?

[Susak] This will be defined in the creation of the confederation, which is also a parallel process to the creation of the Federation.

[Zubak] May I join in. One of the essential points in this treaty is the defense alliance .

[Ladisic] Did the Contact Group make any step forward at this meeting as regards a solution for the crisis in Bosnia-Herzegovina, or more precisely, as regards acceptance of the Contact Group's current plan or some other pressure leading to a solution.

[Susak] It is my opinion that today the Federation is defined in considerably clearer terms than has been the case over the last year since the Washington Agreement was signed. I believe that this is the biggest achievement and it has been also supported by the United States. Secretary Perry also came to this meeting before we finished it and openly supported it. I have mentioned that this morning and at today's meeting there were also both Republicans and Democrats from the Senate, including leading personalities. We thus have the full support of the United States which will take an active part and not just deliver lectures as has regretfully been the case until recently. The United States was probably preoccupied with other things.

The direct involvement of the United States, the direct involvement of Croatia and all the members of the Contact Group, including the Russians, too, who today expressed their views but who nevertheless accepted our suggestions and those of the Americans. [sentence as heard]

[Ladisic] What is your prediction about what may now happen on the ground in Bosnia-Herzegovina? It seems that fighting has again flared up around Bihac. Today, General Rasim Delic threatened, just as Alija Izetbegovic, president of Bosnia-Herzegovina, did yesterday, that the Bosnia-Herzegovina Army will violate the ceasefire and respond to the Serb attacks. Is this attempt today in fact a manifestation of confusion as to how to solve the crisis in Bosnia-Herzegovina, or are things spinning out of control?

[Zubak] The situation in Bosnia-Herzegovina is really fluid. When we signed the agreement on the cessation of hostilities everyone was skeptical and reserved regarding the possibility of it being fully honored. These suspicions, these reservations have materialized as regards the possibility of honoring it fully. The fighting around Bihac continued regardless of the signed agreement. Whether this is going to spread to other areas in the Bosnia-Herzegovina Federation—it is hard to draw conclusions. Certainly, if the Bosnia-Herzegovina Army gets involved in armed conflicts with the Serb Army in other areas, HVO units will inevitably be drawn into all of this by the force of inertia, although it is our view that we should fully honor the signed agreement. We even said then that we will honor it to the same extent as the other cosignatories to this agreement do.

In the meantime, we would like to have a peace agreement for Bosnia-Herzegovina signed, to secure something that opens up prospects for such a peace agreement. This is why we are going to restrain ourselves for a while in the course of these armed conflicts. If they spread, if they assume wider proportions we cannot remain passive. We will have to become involved by the force of inertia.

RSK To Discuss Mini Contact Group Plan

LD0702121495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1056 GMT 7 Feb 95

[FBIS Translated Excerpt] Knin, 7 Feb (TANJUG)—The parliament of the republic of Serb Krajina [RSK] will discuss and adopt a position on the UN Protection Force [UNPROFOR] mandate and the so-called mini Contact Group's "Z-4" [Zagreb-4] plan at an extraordinary session tomorrow.

According to its chairman, Ranko Lezajic, the RSK parliament's extraordinary session was convened by 30 deputies and also at the demand of many citizens and parties.

The parliament will probably adopt a declaration on the mandate of the UN peacekeeping troops in the light of Croatia's unilateral decision to terminate the UNPROFOR mandate and of the mini contact group's plan for a political resolution of Krajina-Croatia relations, Lezajic said. [passage omitted]

Army Urged To Prevent Illegal Actions at Border

LD0602145395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1226 GMT 6 Feb 95

[FBIS Translated Text] Knin, 6 Feb (TANJUG)—A meeting between Milan Martic, president of the republic of Serb Krajina, and top representatives of the Krajina army and police was held in Knin today. It was devoted to examining the military and security situation in the republic of Serb Krajina with a particular emphasis on the security situation and the functioning of the law-governed state in Banija and Kordun.

According to a statement issued by the president's information service, participants at the meeting particularly

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stressed the need to carry out all legal actions and take security measures in the border zone facing the territory controlled by the 5th Corps of the Muslim army loyal to Alija Izetbegovic, in order to prevent "all illegal actions that may damage the stability of the defense system."

President Martic said that all relevant state institutions should get involved in these actions to a maximum degree, the statement says.

UNPROFOR Decision, Possible Effects Viewed

AU0602165695 Rijeka NOVI LIST in Serbo-Croatian 31 Jan 95

[Commentary by Drazen Vukov Colic: "Croatia Is Playing With White Chessmen"]

[FBIS Translated Text] The several measured and carefully formulated sentences with which the president of the Republic politically, wisely accepted with diplomatic retraint only the first, preliminary draft of the long-awaited Z-4 [Zagreb-4] plan are a good and balanced warming up for perhaps the most complicated political, constitutional, legal, diplomatic, and strategic race, one on which Croatia's future depends. Vance is dead, long live Galbraith and Kerestedzhiyants! Croatia has, perhaps, already sent away UNPROFOR [UN Protection Force], but in principal it has already agreed to additional years of direct international supervision. After the Vance plan, which even the Croats only began to study seriously three years later, the global powers have finally reached an agreement about something that Vance never mentioned—a prototype for the final political settlement, without which there can be neither real peace, nor integral Croatian sovereignty, nor the return of refugees, nor valid European membership, nor the first chapter in the general Croatian-Serbian relations. Neither can there be, perhaps, any indirect pressure on events in Bosnia-Herzegovina, since so far Bosnia has been only a burden upon Croatia, frequently because of originally Croatian foolish deeds. Croatia has finally begun to play with white chessmen, and it has finally been given a much more important page in the international, political and diplomatic catalogue, no matter how dangerous some of its moves may appear, for instance, the decision not to extend UNPROFOR's mandate. In this case Zagreb has said at least a quite, quite conditional "Yes!," so that neither Belgrade nor Knin can say unconditionally "No!" any more.

True, some will perhaps claim that the president's words were quite hard, since all the Croatian assessments, announcements and estimates have been strictly limited to what so far has not brought any particular results anyway. In Croatia's highest diplomatic circles there has been unofficial talk for months about the spirit, rather than the exact principles of the Constitution, while in the media the word autonomy has completely supplanted the idea of local self-government. However, the cards have been dealt out only once, and no reasonable person will show what he is keeping for the last round, which, as a rule, brings double points. In such circumstances, Tudjman has started the game, even though he was supposed to wait until all the players are known. However, one thing can be definitely anticipated, given a certain portion of prophetic courage: If, unlike many Balkan deals, Z-4 does not fail, and weapons remain the only answer, Croatia will not remain the same. There is no doubt that in the entire debate most sweat and tears will be caused by this or that proposal regarding the flag, coat of arms, or currency, but the real blood—metaphorically speaking, and perhaps even in fact—will be shed over what real status and shape will be finally given to those 11 municipalities where the Serbs made up a majority before the war. Will the two districts (Knin and Glina) evolve into at least separate counties, and perhaps become territorially connected by a special corridor? Will Slavonija and Baranja remain in a painful reserve under prolonged international supervision? Will a new Pribicevic [not further specified] finally appear in Croatia, who will believe Tudjman when he speaks like Radic [Stjepan, Croatian politician in early 20th century]? And will some other parts of Croatia—Istria, and perhaps even Dalmatia or Medjimurje—obediently agree to a unitary type of state for Croats and autonomy for Serbs in Croatia?

Some recent events look as though they could be immediately interpreted as an unofficial, yet quite provocative introduction to such disputes. In Croatia the rejection and anger are growing stronger and stronger against those Serbian politicians who in polite language are called Milosevic's ambassadors or in the most abusive language disguised chetniks from Knin, while the Belgrade diplomatic corps has already started the well-known game of fake refutals: [FRY Foreign Minister Vladislav] Jovanovic first offers Istra to Italy, only to deny it in order not to jeopardize [Croatian Foreign Minister Mate] Granic's trip to Belgrade. However, the Croatian Serbian politicians, however offensive this may sound, have always been closer to international laboratories, and they have always known much better what is really happening in Belgrade or Knin. For that reason one cannot so carelessly discard [Krajina official Milorad] Pupovac's assertions that Croatia must not remain unitary, centralist or Croato-centralist. Even those Serbs who do not question the Croatian borders do call in question the system on which Croatia is currently based, whereas they still enjoy international support, however small. Zagreb has opened the door, but it is yet to be seen whether the cold wind will turn into a storm.

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Skopje TV Reports Greece Begins Oil Deliveries

LD0602230195 Belgrade TANJUG Domestic Service in Serbo-Croatian 1429 GMT 6 Feb 95

[FBIS Translated Excerpt] Skopje, 6 Feb (TANJUG)—During the weekend [4, 5 February] the delivery began of about 3,500 tonnes of oil for the needs of The Former Yugoslav Republic of Macedonia, Skopje state television reported today.

In the port of Thessaloniki, apart from the 5,000 tonnes of oil for humanitarian purposes, there is 24,500 tonnes of oil, which has been purchased for the needs of Macedonian industry. [passage omitted]

The current "release" of some of the oil for humanitarian purposes is being interpreted in Skopje as a Greek attempt to reduce international pressure during the hearing at the European Court of Justice in Luxembourg in connection with the one-sided isolation of the northern neighbor. [passage omitted]

Latest Data Show 12 Parties Registered

AU0602204695 Skopje NOVA MAKEDONIJA in Macedonian 3 Feb 95 p 3

[Article by P. Dzambazoski: "12 Parties Registered So Far"]

[FBIS Translated Excerpt] [Passage omitted] According to the latest data, only 35 parties have applied for registration, of which 19 have not presented the complete documentation. We can say that 12 parties are already in the new register and these are as follows: the VMRO [Internal Macedonian Revolutionary Organization]-Macedonian National Democratic Alliance; the VMRO-Democratic Party; the Liberal Party; the Socialist Party; the VMRO-Democratic Party for Macedonian National Unity; the Social Democratic Alliance of Macedonia [The Former Yugoslav Republic of Macedonia]; the Party for Democratic Prosperity; the Democratic Party of Macedonia; the Democratic Party of Turks in Macedonia; the Democratic Party; the Party for Democratic Action-Islamic Road; and the Democratic Party of Serbs in Macedonia.

How can we understand that half of the parties have not shown any interest in being registered? Actually, a number of these parties do not have the necessary membership, with some operating with only a few people. According to the new law, they can no longer be registered with a simple statement by the president of the party that would confirm the number of members. Some parties oppose this law on the grounds that by having to show an identity document the right of the citizen to free political expression is being imperiled, because then the authorities can find out the names of members of opposition parties and can put obstacles in their way in everyday life. This was a claim made by the VMRO-United at a news conference in December, when it was decided to transform the party into an illegal one. [passage omitted]

Law on Political Parties

95BA0059A Skopje SLUZBEN VESNIK in Macedonian No 41, 5 Aug 94 pp 1197-1200

["Ukase on the Proclamation of the Law on Political Parties"]

[FBIS Translated Text] The following is the proclamation of the Law on Political Parties passed by the Assembly of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] at its 28 July 1994 session.

No. 08-2348/1

28 July 1994

Skopje

President of the Republic of Macedonia: Kiro Gligorov

Chairman of the Assembly of the Republic of Macedonia: Stojan Andov

LAW ON POLITICAL PARTIES

I. General Provisions

Article 1

This law regulates the means, conditions, and activities related to the founding, registration, and termination of political parties.

Article 2

According to this law, political parties are organized groups of citizens who undertake to participate in the governmental system.

Article 3

Citizens can freely found political parties in order:

—To implement and protect the political, economic, social, cultural, and other rights and beliefs of their members and to participate in the process of formulating political resolutions, and

—To participate in the activities related to the election of members of the Assembly of the Republic of Macedonia and members of committees of assemblies of opstinas [townships] and the Skopje City Assembly.

Only citizens of the Republic of Macedonia may be members of a given political party.

Article 4

The program, bylaws, and activities of political parties may not be aimed at:

—The violent overthrow of the constitutional order;

—Agitation or instigation of armed rebellion; or

—Promotion of national, religious or racial hatred or intolerance.

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Article 5

The activities of the political parties are conducted publicly.

Article 6

Political parties are organized and operate on a territorial basis.

II. Founding, Registration, and Termination of Political Parties

Article 7

Political parties may be founded by no less than 500 adult citizens of the Republic of Macedonia, who are permanent residents of the Republic of Macedonia.

Fifteen days prior to the end of the year, the political party must submit a written proof to the Skopje Okrug [district] Court, certifying that the number of its founding membership has not diminished.

Any adult citizen of the Republic of Macedonia who voluntarily agrees to be a member of a political party may be a member of that political party.

Any member may freely resign from a political party.

Article 8

A political party is founded at a meeting of its founders at which a resolution is passed on its founding, program, and bylaws, and at which members of its bodies are elected.

The resolution on founding a political party must include the following:

—The name of the political party;

—The headquarters of the political party;

—The name of an individual authorized to register it with the court, and

—The names of the founders, their registration numbers, and permanent addresses in the Republic of Macedonia.

Article 9

The bylaws of a political party must include specific stipulations concerning:

—The name and headquarters of the political party;

—The political objectives of the activities, the open nature of its work, and the nature of its activities;

—The conditions and procedure for beginning or ending membership and the rights, obligations, and responsibilities of the members;

—The authorized representation of the political party;

—The bodies of the political party, the method used to elect or recall members of them, the duration of their mandate, and the decisionmaking process;

—Acquisition and handling of funds;

—Termination of the political party;

—Disposal of property in case of the termination of a political party; and

—Symbols of the political party (flag, abbreviated name, symbol, emblem, and so forth).

The name and identification of the political party must be different from the name and identification of any other political party already registered within the country or abroad.

The political parties may not use domestic or foreign state symbols.

Article 10

A political party may begin its work the moment the political party has been registered with the court (subsequently, court register).

A political party loses its status as a juridical entity as of the day it is deleted from the court register.

Article 11

A political party is registered with the court.

The court register is kept by the Skopje Okrug Court.

The Ministry of Justice and Administration issues a model and instructions for keeping the court register.

Article 12

Within 30 days of its founding, a political party must submit a request for registration with the court.

The request for registration must be accompanied by the following:

—Minutes on the work of the constituent assembly;

—Program and bylaws; and

—Resolution on its founding.

Article 13

Within 15 days of the day of submission of the request, the Skopje Okrug Court must issue a resolution on registering the political party with the court.

Should the Skopje Okrug Court resolve that the request for registration with the court is incomplete, or that the bylaws do not meet the stipulations of Article 9 of this law, it must request that the individual submitting the registration complete the registration request within 30 days.

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Should the individual submitting the request for registration fail to meet the stipulations of Paragraph 2 of this article, the Skopje Okrug Court shall pass a resolution refusing the request for registration with the court.

Article 14

The Skopje Okrug Court shall refuse to register the political party should it prove that it has been founded to engage in activities prohibited in accordance with Article 4 of this law.

Article 15

The resolution refusing the request for registration with the court may be appealed.

The appeal must be submitted to the Supreme Court of the Republic of Macedonia within 15 days of the passing of the resolution.

Article 16

Should a political party amend its program and bylaws, it must notify the Skopje Okrug court within a period of 30 days and submit the minutes of the session at which said amendments were adopted.

Article 17

The political party is terminated:

1. When party activities have been prohibited by a resolution of the proper court;

2. When the Constitutional Court of the Republic of Macedonia confirms that the program or bylaws of the political party violates the Constitution;

3. When the authority stipulated in the bylaws of the political party adopts a resolution on its termination; or

4. When the number of its members drops below the legally stipulated number of members required for its founding.

The provisions in Paragraph 1 of this article must be confirmed by the Skopje Okrug Court with a resolution on the termination of the political party.

In the case of the termination of a political party, in the cases stipulated in Paragraph 1, Items 3 and 4, of this article, the individual representing the party must notify the Skopje Okrug Court for the purpose of deleting it from the court register; notification should be made within a period of 15 days from the day of the termination of the political party.

The party will be deleted from the court register on the basis of the resolution as per paragraph 2 of this article.

Article 18

The data entered in the court register must be published in SLUZBEN VESNIK NA REPUBLIKA MAKEDONIJA.

Article 19

A political party will be prohibited from functioning should it be established that its activities violate the prohibitions stipulated in Article 4 of this law.

Article 20

A resolution prohibiting the activities of a political party must be passed by the opstina court in the opstina where the political party has its headquarters.

The court procedures must be based on rules of civil procedure unless this law stipulates otherwise.

Article 21

The presentation to the court is made by the public prosecutor.

The case must be adjudicated within eight days following the submission of the request.

The respective public prosecutor and the individual authorized to represent the political party are summoned as parties to the case.

Article 22

The request for prohibiting the activities of a political party may be considered by the court in the absence of the parties provided they have been properly summoned and properly named in the summons.

Article 23

The court will issue a proper resolution to prohibit the activities of a political party or pass a resolution denying the request of the respective public prosecutor.

The resolution prohibiting the activities of a political party must provide the reasons and an explanation for the prohibition.

Article 24

A resolution on the proposal for prohibiting the activities of a political party must be submitted after the case has been adjudicated; it is announced immediately by the chairman of the council.

A resolution must be drafted in writing, and a transcript is supplied to the parties within three days of the announcement.

Article 25

The public prosecutor or the political party may appeal the resolution of the respective court as per Article 20 of this law to the okrug court within eight days of the day of the adoption of the resolution.

The okrug court must respond to the appeal within eight days following its receipt of the appeal and the materials on the subject.

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Article 26

A valid resolution prohibiting the activities of a political party must be published in SLUZBEN VESNIK NA REPUBLIKA MAKEDONIJA.

III. Financing of Political Parties

Article 27

The political parties acquire and handle the funds needed for their activities as stipulated by the law.

Article 28

The political parties may collect funds for their activities from membership dues, contributions, income derived from their own property, loans, gifts, subsidies, legacies, and from the budget of the Republic of Macedonia.

Political parties may not acquire funds for their operations from the following:

1. Governments, international institutions, agencies and organizations of foreign countries, and other foreign individuals;

2. State agencies, or local self-government agencies, other than the funds provided in the budget of the Republic of Macedonia;

3. Public or state enterprises, including those in which the privatization process has been undertaken.

Article 29

An amount not exceeding 30 percent of the funds set aside from the Republic of Macedonia's budget for the activities of political parties must be distributed equally among the political parties that have garnered at least three percent of the vote at the last elections; the remaining 70 percent must be allocated to the political parties whose candidates were elected to the Assembly of the Republic of Macedonia in proportion to the number of representatives elected.

Should a representative be elected as the nominee of two or more political parties, the funds are equally divided among them unless a different agreement has been reached.

Article 30

Individual gifts, contributions, and subsidies by juridical and physical persons may not exceed an amount equal to 100 average wage payments in the Republic, paid in the last month stipulated by the Republic Statistical Institute; these funds may not be contributed more than once annually.

During the elections, individual gifts and subsidies by juridical and physical persons may not exceed an amount equal to 200 average wage payments in the Republic paid in the final month stipulated by the Republic Statistical Institute.

The funds as per Paragraph 2 of this article are deposited into a special electoral account.

Article 31

The political parties must keep income and expenditure records.

The sources of income of political parties must be made public.

Proof of income must be characterized by nature, amount, and origin.

Article 32

Supervision over the financial operations of political parties is provided by the respective body in charge of supervising financial-material operations.

IV. Penal Provisions

Article 33

A fine ranging from four to 20 wage payments will be levied for a violation committed by a political party which:

—Is organized and operates in violation of Article 6 of this law;

—Begins functioning prior to its registration with the court (Article 10);

—Fails to submit a request for court registration within the stipulated time (Article 12);

—Fails to submit notification of amendments in its program and bylaws to the Skopje Okrug Court within the stipulated time (Article 16); and

—The individual responsible for a political party may be fined for violations of Paragraph 1 of this article with a fine ranging from one-tenth to one-half wage payment.

An individual authorized to act on behalf of a political party is liable to a fine of one-tenth to one-half of a wage payment if, following passage of a decision to cease the party's activities or after a decline in the prescribed membership numbers, he fails to notify the Okrug Court in Skopje to effect the deletion of the party from the register. Such notification must take place within 15 days of the passage of the resolution or of the decline in membership.

Article 34

An individual who is responsible for public property or for a juridical entity that has not completed the process of being transformed from public to private ownership and who approves or transfers funds to a political party, regardless of the reasons, will be punished with a monetary fine ranging from 10 to 20 wage payments.

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A monetary fine of one or two wage payments will be levied for the violation of Paragraph 1 of this article on the individual responsible for the juridical entity.

A fine equivalent to two wage payments will be imposed for violations committed by an individual who is authorized to act for a political party and who fails to submit payments deposited to the account of the political party by the juridical entity as per Paragraph 1 of this article to the proper authority for supervision and control over material and financial operations; this submission should be made immediately or within at least 15 days of making the payment.

The funds approved and transferred to a political party as per Paragraph 1 of this article will be withdrawn from the account of the political party and transferred to the budget of the Republic of Macedonia.

V. Provisional and Final Stipulations

Article 35

Existing political parties must coordinate their programs and bylaws with the stipulations of this law within three months from its enactment.

Article 36

The request for the registration of political parties not completed by the day of enactment of the present law must be completed in accordance with the stipulations of this law.

Article 37

The Skopje Okrug Court must start a court register no later than three months from the day of the enactment of this law.

The existing political parties registered in accordance with the Law on Public Organizations and Assemblies of Citizens will be entered by the Skopje Okrug Court in the court register without any special request, on the basis of the register kept by the Ministry of Internal Affairs, which must submit it to the Skopje Okrug Court within eight days from the enactment of this law.

Article 38

The Ministry of Justice and Administration must submit the data stipulated in Article 11, Paragraph 3 of this law within 30 days from the day of enactment of this law.

Article 39

The provisions of the Law on Public Organizations and Assemblies of Citizens (SLUZBEN VESNIK NA SRM, No. 32/83 and 12/90) concerning public organizations and assemblies of citizens organized for the sake of implementing political interests and objectives will become invalid as of the day of the enactment of this law.

Article 40

The provisions relating to the registration of the political parties with the Skopje Okrug Court will be done by the court which will assume the duties of the Skopje Okrug Court after the passing of the Law on the Courts.

Article 41

This law becomes valid on the eighth day following the day of its publication in SLUZBEN VESNIK NA REPUBLIKA MAKEDONIJA.

Interior Minister on Constitutional, Ethnic Issues

95BA0102A Skopje VECER in Macedonian 31 Dec 94-3 Jan 95 pp 8-9

[Interview with Dr. Ljubomir Frckovski, minister of internal affairs, by Branko Geroski; place and date not given: "Rational as Opposed to Emotional Policy"]

[FBIS Translated Text] *Of late some activities of the Ministry of Internal Affairs of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] have been focused on the political or parapolitical activities of some Albanian parties and groups in Macedonia. We are referring to blocking the Albanian language "university" in Tetovo and the recent expulsion of a group of Yugoslav nationals—Albanians from Kosovo—who were in Macedonia. It has also been said that it is a question of open repression of Albanians by the Macedonian state. It is with this introductory question that we began our conversation with Dr. Ljubomir Frckovski, minister of internal affairs. Frckovski began by saying the following:*

[Frckovski] If you look at previous interviews we have had on such topics you will notice that all of them begin with the words "of late," in which the police is in the center of attention, for one reason or another. It is thus that starting with this general introduction, we open this discussion as well. My impression is that in the postcommunist era, developments in general and in the version we have in Macedonia (in my view, one of the most successful transitional models), which is quite flexible, are such that if you are trying to draw a straight line, you keep going against the current. If you go to the left or to the right, at that point you do not clash but blend with the waves. This happens when you try to pursue a coherent policy within the framework of the Macedonian laws defining such a policy. This is one of the stipulations I want to make—it is an effort to make it as coherent as possible and principle-minded in the pursuit of a given policy.

In this case the MVR [Ministry of Internal Affairs] had the legal obligation to block activities that, in violation of all possible constitutional and legal resolutions, promoted the development of an entity, regardless of its nature. In such situations, not only the MVR but also the other authorities must prevent this. If they display petty political or calculating instincts, the stability of the state would bring about a major crisis, caused not by a specific

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incident or situation but by the attitude of the authorities that are paid to implement the law and not to follow or create a given policy. In that sense, such a hastily created entity, in violation or ignorance of the Constitution and the laws, simply cannot exist. There is no organized posse or special behavior toward the Albanians. The same would apply to any other initiative organized on that basis. The fact that I hold a specific view concerning the logic and the political background of this initiative is a different matter.

Demagogic Comments

[Geroski] It is claimed in some circles that such activities were carried out on the basis of an agreement with the Serbian police. What is your reaction to this claim?

[Frckovski] Our cooperation with the police of the neighboring countries is regulated quite clearly, on the basis of protocols. We have no such thing with Yugoslavia. Some efforts have been made to cooperate in the case of border incidents and crime, but that is all. For the past four years we have been able to withstand the pressure applied by that country and keep our activities under control. Some people from the Kosovo Democratic Union and here have reacted above all because of fear and frustration caused by relations with the Serbian police. This is an effort to comment, as they view it, on the fact that they experienced a loss when a freer movement within the Republic of Macedonia was made impossible, for which they blame the Macedonian police. Otherwise, they know very well that we make independent decisions, thus strengthening our authority within the international community. This is not to say that we now must violate our own laws concerning foreigners, for the sake of being different from the police in a neighboring country. We shall be implementing our laws the way they are written.

[Geroski] Would you agree that allegations concerning some, shall we say, problematic steps taken by the police and allegations about engaging in extensive informative discussions, searches conducted without a warrant, and so on, have triggered some irritation? The latest such case involves two RILINDJA newspapermen who, allegedly, were detained and interrogated some 50 to 60 hours. How do you assess the standardization and openness of political actions and do you feel the need for some allegations to be denied or commented upon?

[Frckovski] The question you raised as far as police methodology is concerned is a different matter. I do not wish to discuss it as related to the latest action. This is a general problem and applies to all actions. Based on the old Law on Internal Affairs, which we have been trying, for the past year and a half, to replace with a new law (because of the development of circumstances in the old parliament we failed to do so but I hope that we shall be able to accomplish this in January or February at the latest), there is an old regulation on the methods and the use of all the institutions that the police has at its disposal. In that regulation matters are related to some other laws on criminal activities and other actions. We are planning to introduce, immediately after the passing of the new law, a new regulation. However, because this has been postponed, I increasingly believe that despite its recent publication, this regulation must be changed. Otherwise information discussions are being held everywhere. We must limit the time during which an individual can be detained for a discussion and increase the rights of the authorized official in terms of the possibility of summoning someone for a talk. This will be done. Otherwise, this regulation was being applied much more restrictively compared to the way it was written. It is only incidentally, within the framework of a broad front of activities, that we could use it extensively, as allowed by the law and the regulation.

As to this broad interpretation, which, unfortunately, could be blocked by a law (this is the problem!), we could discuss it but not in this context. Let me say that in the case of a legitimate deportation of foreigners whose stay in the Republic of Macedonia has not been regulated, which was the topic of the debate and the reaction of the Democratic Union of Kosovo and Albania, the entire action took place in seven or eight hours. This action applied to some 30 people. Only four members of this group were detained for a talk. We found in their possession materials of an intelligence nature concerning the Republic of Macedonia. Based on their accreditation and with the broadest possible view concerning the work of accredited correspondents, this was not part of their work. I claim that in the course of such informative discussions no one was mistreated or, God forbid, tortured. These people were held for informative discussions only because of the materials in their possession and the fact that some of them even had weapons, which is against the law. If this is forbidden, what else is left? The fact that today the propaganda machine has inflated this to 40 or 50 hours is a different matter. This would mean that to this day or until yesterday we had been holding them, which is absurd (the discussion took place on Saturday—editors).

As we publicly said, we made one exception—individuals who eventually may be persecuted in some neighboring countries for their political crimes were deported to other neighboring states for which, incidentally, they also had passports. Some of them had several passports (we could but we did not go into how they acquired them). Therefore, these individuals were deported to countries to which they wanted to go, according to their passports, so that here as well we took a specific step based on eventual difficulties that such individuals would experience in some neighboring countries.

A Regressive Movement

[Geroski] All of this leads us to the question of the basic presentation of your claim that all events related to the Tetovo initiative have been an effort to create a joint "brain" or "umbrella" leading to the unification of the

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Albanian political parties and, essentially, the creation of an all-Albanian movement. Does this view have a firm background?

[Frckovski] You probably know (and if you did not know your work as a journalist would lead you to it) that there are organizations trying to unite the Albanians. One is located in the former Yugoslavia and two others are trying to organize the entire region. At this point this may not be the most prevalent political movement among Albanians but, in any case, there is such a trend. Another issue is whether the Albanians in Macedonia will assume a dominant role. I believe that such will not be the case but it is certain that efforts to this effect are being made. This is a regressive movement for it is an effort to raise political standards and political activities to a higher level, the level of a movement for rights, which is a familiar Balkan syndrome—a movement of survival and the creation of a state. Especially in Macedonia, this would be regressive, for the political culture of the Albanians in Macedonia stands on a much higher level. It is the highest standard attained by Albanian political structures in this region. They also have some kind of normal party divisions, which, as you know, developed much earlier among the Macedonian segment of the population. The Albanians in Macedonia, I am referring to autonomous political subjects, should obviously do this. They took some initial steps but the enhancement of an autonomous political target, which will be respected by their colleagues abroad and internationally, is a struggle that must be waged. No one would give it for free. This would indicate their maturity, power, and roots in a given political environment.

The effort that is being made in that sensitive educational area and the cruelty and political blindness in the choice of methods, the hormonal and emotional policy, develop on a lower level. Actually, this is a political fact that must be taken into consideration. Macedonia has never had nor does it now have any problem as to how to react to eventual efforts. The laws will be respected at all cost. In the next couple of hundred years this may lead us to clashes with some groups. We shall withstand them because we have no choice. Allowing the breakthrough of such a cancerous tissue in the constitutional order would mean the breakdown of the constitutional order. At that point we would no longer have a state. Anything else is a matter of tactics, time, and international circumstances. There are no problems in this area.

A Plan With a Peak

[Geroski] Let us go back to the efforts to create an original all-Albanian movement. If this view is substantiated as being the consequence of the homogenization of the political views of the Albanian parties, we would probably begin to argue, for such a blending, in this specific case, has taken place on the Macedonian side as well. On the other hand, you probably are familiar with the views of some Albanian politicians to the effect that a division within that body was, actually, provoked by the Macedonian authorities.

[Frckovski] To begin with, such blending does not develop the way it is planned, and I claim that its quality fluctuates. In this case the only possible blending of the citizens of the Republic of Macedonia must be based on respect for the Constitution and the laws. Such a blending may be described any way you wish. However, it is the only one that could hold a country together. I would be the first to object to such a blending on any other basis, and I believe that based on my activities so far I have adequately proved the accuracy of my views. In the final account, this was confirmed when it was necessary—in practical activities.

On the other hand, I do not believe that this will be the means for blending the Albanian political line. It is a plan the peak of which is the idea of "university." This plan will now clash with a certain political reality. There exist real political divisions that are normal and healthy and are not provoked by the authorities. I believe that we are "healthy" only because the core of Macedonian policy has always left a margin for tolerance and for real space provided within the institutions of the system. We accomplished this in the best possible way as follows: We carried out this project above all and essentially within our own "backyard." No one can tell us and look us straight in the eye and say that we asked for something from the other camp without doing the same in our own. We may not have been able to accomplish everything but in politics we did what we could. The rest is a matter of political culture, of the petty bourgeois, of the people who are building the culture of a civil society. In this area the state has no instruments with which to intervene, such as in the matter of the university, directly among the cultural segment, and so on. We could engage in a dialogue with these institutions and say the following: We believe that what thus and such an institution is doing is stupid and has no vision. We could even use harsher words, but that is all. We cannot build them. Although this may be profitable at a given point, immediately afterwards we would have to ask ourselves whether we have essentially a democratic country.

We do have a democratic country and we have no possibility to exert an influence in the way that politics was used in the past, in education, let us say. People think differently. I believe that some of them have stupid and regressive thoughts, and fear of others. However, it is their right to have such thoughts. Such is the price of democracy. For a year and a half I and my colleagues in the university have been saying that there must be a channel for implementing the right to education of students in secondary and primary schools and that if this does not happen, more extreme options will have to be adopted. Then, such people go home and look at television and see what the police are doing in Tetovo or Gostivar. All this took two years to disappear and it disappeared with their consent and not because of our pressure.

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The Dialogue Fetish

[Geroski] It disappeared under the pressure of circumstances....

[Frckovski] It may have been caused by circumstances, but I believe that we would not have avoided this jocular opening of the "university" if a pedagogical academy had already been established. This is not because there are different views applicable to either case. This was an effort to organize the political action of the Albanians on another basis, which, whatever the case, was not accomplished. The view of one of the actors in this play is clear: Albanians in Macedonia have nothing and, therefore, they have nothing to lose. Do you realize what this means? It means that there was a method to use it—"they had nothing to lose." This means an outbreak of civil war, for "they had nothing to lose." It is a mental structure with which you cannot start a dialogue. The only outcome would be a political defeat.

We can engage in dialogue. In the area that I consider constructive, there is an error prevailing among the Macedonian public. There is the fetish of the dialogue. Some situations are resolved by the institutions of the system, constitutionally and legally postulated. Such positions cannot be amended with dialogue. It is possible to create an atmosphere leading to a change in the laws. This is positive. Once the laws are changed, another climate prevails. Dialogue has its limits.

I am telling you this on the basis of harsh practical experience precisely as applicable to dialogues and directly, with intermediaries and in the international stage.... There are people with whom we could reach an understanding and formulate matters clearly. This must be done methodologically and inductively. If we start now arguing about the final objectives, we would be blocked immediately. However, we could say the following: Final objectives may differ but we could agree at least half of the way or two-thirds of the way. We believe that we should open a pedagogical academy and increase the participation of members of ethnic groups in the state administration, and so on. You may think that this is not enough but I do. However, while we keep thinking together, we could progress together. This is the skill of politics in which Macedonia presents a case different from all others.

[Geroski] Considering all such recent stresses and consequences, do you believe that this model could continue to function in the future?

[Frckovski] Yes, I think that we shall succeed, for we have invested a great deal in this model. All political actors are represented in this model. It is not accurate that there is no group that has nothing invested and has noting to lose. Once we have reached what is believed to be the capacity of the joint program, we shall reach a situation in which in seven, eight, or 10 years we shall be operating under entirely different circumstances. These will be other general situations in which we shall be involved and we shall have something to lose. And that which we would lose by quarreling would increase day after day. That is why I believe that this is the only rational way in order to have a stable, active, and united Republic of Macedonia that during that period and until then will be able to eliminate all unconstitutional and illegal efforts to revise the system and shape its foundations.

Airline Manager on Finances, Logistics

95BA0077A Skopje NOVA MAKEDONIJA in Macedonian 19 Nov 94 p 17

[Interview with Vanja Bitoljanu, Paler-Makedonija Administrative Council chairman, by Blagoja Janev; place and date not given: "No Essential Changes in Aviation!"]

[FBIS Translated Text] *Not one of the overall issues of aviation has been resolved. The state does not protect its companies. The fact that four domestic airlines are no longer flying indicates that air travel is not a very profitable operation.*

The Paler-Makedonija Airline is the first and oldest air carrier in Macedonia [The Former Yugoslav Republic of Macedonia] and a pioneer in our civil aviation. Recently, that airline started its fifth year of operations. It has left a strong mark in Macedonian communications with European countries, having carried more than 600,000 passengers. This is a respectable number when we also know that with the breakdown of Yugoslavia and the independence of the RM [Republic of Macedonia] this air carrier, after organizing the first air transportation to most European countries and their capital cities, was one of the initial promoters of the new state. The existence and functioning of Paler-Makedonija have had their ups and downs. Many are those who believe that this is typical of Macedonian communications in general. All that has happened within the company (and in that field) is closely linked to Vanja Bitoljanu, its creator and administrative council chairman.

[Janev] How do you assess the present condition of air travel in the country, have proper conditions finally been created for the development of this area, and what role should airline companies play in it?

[Bitoljanu] I think that nothing essential has changed in the area of Macedonian air travel, although compared to what we were expecting for this stage the obstacles have been much greater. Actually, no single global issue in the area of air travel has been resolved other than the completion and modernization of airport facilities in Skopje and Ohrid. In practical terms, the biggest progress was made by the Makedonija JP [Public Enterprise] Airport Services Enterprise, although a number of things remain to be completed in airport infrastructure. Some of the urgent projects include the reconstruction of the landing and takeoff strip in Skopje, providing new landing and takeoff instruments for Skopje Airport, and upgrading the quality of the strip in order to handle worse weather conditions. One of the general issues

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is the establishment of a national air carrier. This involves intergovernmental bilateral agreements on air transportation instead of having foreign airlines set arbitrary rates. I can say that so far positive work has been done, security has been improved, and the time is past when one could fly without proper documentation. As to the financial situation, some areas remain unclear, such as the fact of the state charge that Paler has made payments to the JP in foreign currency. Order has been brought into the regulation for increasing or reducing the number of flights, although a great many things continue to depend on the goodwill of the air travel authorities. In terms of development, the airlines may be judged on the basis of the condition of their own and general standards.

Three Airline Companies Is Excessive!

[Janev] A frequently raised issue is when will the blockade of the Federal Republic of Yugoslavia be lifted in terms of Macedonian air travel. It is believed that Macedonia is too small to support even a single airline.

[Bitoljanu] That the opening of Yugoslavia will have any influence on Macedonian air transport is more than certain. Even without it, so far there has been space for only one company with its own infrastructure. Such a policy was not implemented, and now there is a struggle as to who will survive and for how long. In this respect it is a question of who will succeed in acquiring foreign rights, as was the case with the overnight stay over on our airfield of the Adrija and Croatia Airlines planes. It is expected that the same rights will be requested by Balkan and JAT [Yugoslav Air Transport]. Our state is not protecting its companies. We are making excessive efforts to achieve a similar situation. For example, we have an agreement with the British air transport authorities to fly to London but our air transport authorities are not allowing us to do so. The same applies to Goteborg. We are asking for the right to fly to France. We have read in the press that Air France will have flights to Skopje, whereas no such rights have been given to us. Most frequently, the reason is the lack of intergovernmental agreements. We have no agreements with the Netherlands although we have flights to that country. Nor do we have an agreement with Germany, to which all three companies have flights. I believe that there is no space in our country for all three companies that currently fly and, realistically speaking, Macedonia missed the golden period when airlines could have earned a great deal of money. The money went to competing foreign companies and into the pockets of agencies. Development was uncontrolled instead of being strategic and planned.

[Janev] Repeatedly the companies have criticized the work of the state authorities in this area. In general, there was a sharp reaction concerning the attitude of the state toward airlines and air travel. The state was accused of acting as a policeman, using repressive measures in terms of landing, and threats and punishments were used in resolving problems. Yet in the rest of the world there has been increasing deregulation of air transport.

[Bitoljanu] Throughout the world, deregulation in this area has been only for appearance's sake and nowhere has it resulted in chaos. In our country there is still no regulation in this area. We are applying the old Yugoslav union civil aviation law. Essentially, it is a good one but we cannot meet its requirements. For example, according to the law, this area should have a combined transportation and communications industry, whereas in our country we have a multiple comprehensive urbanization, urban building, transportation, and ecology ministry. The law calls for a single flight control administration, which, under our circumstances, is nonsense. The air transport sector we have under those conditions is a surrogate and its personnel are not held responsible for events. This can be achieved only with firm regulation. We also need a Macedonian law in this area and, especially, a ministry of transportation, and the separation of existing facilities will be a good thing. It will simplify relations, even though, so far, interim minister Jorgo Sundovski has been quite accessible. We also need a civilian air transport office and a separate flight control system. In terms of the regulation, currently we have a ridiculous situation: Our ministry would like to invest in airport facilities. The airport enterprise, which is a public enterprise, can buy nothing without the ministry's permission. Meanwhile, the Makedonija PTZ, which is also a public enterprise and, therefore, under state administration, has an agreement with the European Bank for a loan of $42.5 million. What is even more ridiculous is that the landing strip of Skopje Airport is in the hands of the ministry but the access strips and parking facilities are part of the public enterprise's territory. In the final account, everything belongs to the state, and the Skopje Public Economic Enterprise itself belongs to the state, but if it wants to buy a bus it does not ask for the ministry's permission.

Poor Financial Conditions

[Janev] Bearing in mind that last year the Makedonija Airport Services Public Enterprise was rated one of the most successful Macedonian companies, the prevailing view is that our airline companies are just about the most successful.

[Bitoljanu] I do not know about the others, but our company is not in a good financial condition. The fact that four out of a total of seven enterprises so far organized in Macedonia no longer function indicates that air transportation is not a very profitable operation. We have assumed unregulated commitments and are taking energetic measures to reduce their number.

[Janev] How will you straighten out the situation, and do you have obstacles in this area?

[Bitoljanu] Some of the steps taken include the hiring of Dutch consultants, former KLM employees, to help us in

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our restructuring based on Western European airline company models. On the other hand, we expect of the new ministry to formulate the long-term rules of the game, not affected by current policies. It is normal for obstacles to exist in the battle for survival. Nobody is providing us with funds, for which reason we believe that it is very important for the future ministry of transportation to remain neutral or else be under the direct influence of some economic-political groups. As to the rest, we are not greatly concerned, for we have been flying for the past 44 months and, as of 31 March 1991, to 18 destinations. We are still the only ones, with our own fleet, who are members of the IATA, the Universal Air Transport Association. We participate in all reservation systems and have regular air flights to most countries. We rarely cancel flights and have been grounded only once....

[Janev] Periodically we are told about the loss of your cadres—pilots, stewardesses, and other employees, who switch to the other airlines, mainly MAT [Macedonian Air Transport].

[Bitoljanu] We make it possible for anyone who wants to leave to do so. It is accurate that four pilots and two copilots transferred to MAT, looking for better working conditions. It is a fact, however, that four pilots from the government, also seeking better working conditions, have come to us. This despite the agreement with the government that until 31 December of next year they and others will remain at its disposal.

[Janev] Of the several companies that until recently flew out of Macedonia, today Makedonija AS, Meta-Aviotransport, Vardar-Air, and Falkom no longer fly. The remaining are Paler-Makedonija, Avioimpeks, and the youngest, MAT. Among others, this is also the result of the merciless struggle among companies. What is the current state of relations among the three companies, and is there disloyal competition, blaming most frequently Paler?

[Bitoljanu] First of all, Paler has never engaged in disloyal competition. Everyone "jumped" at Paler because, in the economic sense, it was considered older, more skillful, had a better fleet, better cadres, and so on. Today relations are relatively good. We are especially cooperating with Avioimpeks, with which we have achieved a partial reciprocal recognition of flight travel documents. Such relations are less well developed with MAT. In terms of prices, we were unable to follow other companies charging low prices, such as 80 francs one-way to Zurich, for which reason we no longer fly there. Recently this was emulated by another company. It is difficult to show any profit with such prices and to work successfully.

[Janev] Although some progress can be seen in passenger transportation, the same cannot be said about air freight transportation.

[Bitoljanu] In this case, the solution must be provided by the state. Although isolated, with blockades on all sides, air freight is charged with a 15-percent customs fees instead of stimulating it by reducing the fees in freight transportation. The Slovenes kept in Skopje Airport a cargo plane precisely because they paid no fees, whereas Macedonian airlines were forced to pay them, for in our country they are treated like trucks.

Airlines Face Equipment, Staff Shortages

95BA0077B Skopje VECER in Macedonian 28 Oct 94 p 3

[Article by Z.P. Mokrova: "Elimination of Some Flights"]

[FBIS Translated Text] *Airlines have drafted flight regulations that, mainly because of insufficient airplanes and pilots, they have been unable to implement. In order to avoid rigorous measures, the companies will have to reach agreements and determine realistically where and when to fly.*

The winter flying period begins on 1 November. Therefore, domestic airlines already have their own flight regulations. In addition to existing lines, the companies are preparing to open new ones in the next season. Thus, for example, Paler-Makedonija will inaugurate flights for Cologne, London, and Hanover, while MAT [Macedonian Air Transport] will inaugurate flights to London, Stockholm, Copenhagen, and Goteborg.

However, the opening of new lines requires, above all, the use of more airplanes, for without this it becomes questionable whether some companies will be able to maintain the already existing lines. Specifically, at present Paler has three airplanes (two Foker 100 and one Tupolev), and only two crews; MAT has only one Boeing 737 airplane and three crews hired, with their airplane, from Egypt; Avioimpeks has three airplanes and airplane crews borrowed from Slovenia, rotating on a weekly basis.

Paler has reported the purchase of new airplanes—two Foker 2; MAT has reported purchasing another two Boeing aircraft. However, until those airplanes reach Macedonia [The Former Yugoslav Republic of Macedonia], maintaining the regular flights is in doubt, and there can be no question of starting new ones.

As reported by the Civil Air Flight Sector [SCVP], in connection with the winter flight period changes will be made for the simple reason that previous practices have indicated that required flight procedures cannot be implemented. According to Goran Pavlovski, head of the SCVP, even the summer flying period was largely impossible to implement. However hard they may have worked, the companies were unable to accomplish all they had planned with the existing airplanes. Therefore, many flights normally needed by the passengers were abandoned.

The greatest possible attention will be paid to the quality of the regular flights. Our country has regular flights to

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Ljubljana, Zagreb, Istanbul, Moscow, Rome, Copenhagen, Amsterdam, and Vienna. The first two destinations are those of Avioimpeks, with flights to Istanbul and Vienna; Paler has flights to Istanbul and Moscow, Rome, Copenhagen, and Amsterdam; and Paler and MAT will soon inaugurate flights to Vienna. According to the SCVP, in the future, however much the companies may hold discussions with individual countries, permits for starting regular lines will not be granted without meeting the other necessary conditions, such as, for example, opening offices.

As to charter flights, the problem is perhaps even greater, for the number of so-called charter flights is much greater, mainly to Germany and Switzerland. It is precisely our companies that provide such regular charter flights. This means that they are neither regular nor charter but something in between. A charter line means flights when needed and, as a rule, this exclusively affects our people who work abroad or have work visas or else to tourist arrangements organized on request.

In our country such flights are irregular and do not take place because of lack of sufficient passengers, airplanes, or something else. In such cases, usually passengers are transferred to another company (if possible), and because our companies cooperate with each other very poorly, this is frequently quite difficult, because of which the passengers suffer.

That is precisely why, according to Goran Pavlovski, in order not to have such a situation, many flights that realistically (considering the number of airplanes and crews) should not take place will be dropped from the companies' schedules. In order to avoid the need to take strict measures all companies will be asked to reach agreements among themselves and determine where they can fly and when, so as not to mislead passengers by announcing flights that will not take place. This will apply to all airlines. Therefore, in order to avoid taking other steps (such as laying off pilots and so on), agreements must be reached. After we receive the ordered new airplanes a sufficient number of flight crews will be organized, and only then should we speak of new flights and new destinations.

Competing Airlines Agree To Cooperate

95BA0077C Skopje NOVA MAKEDONIJA in Macedonian 8 Dec 94 p 4

[Article by B.J.: "The Three Companies as One"]

[FBIS Translated Text] *Two days ago, the heads of Paler-Makedonija, Avioimpeks, and MAT [Macedonian Air Transport] reached an agreement on opening offices for a single Macedonian airline, to be implemented by 1 July of next year. Between 15 January and 1 February the three companies will undertake joint use of airplanes.*

Two days ago, in the evening, the heads of the three domestic airlines Paler-Makedonija, Avioimpeks, and MAT took the first step to consolidate within a single Macedonian airline. According to the agreement reached, between 15 January and 1 February of next year the three companies will undertake the joint use of flight facilities by setting up a single fleet to ensure the more efficient use of the airplanes. At the same time, they will open an office for a single Macedonian airline, which will be either a national, a commercial, or another kind of airline. The single Macedonian airline will be established at the latest by 1 July and will represent Macedonian air transportation and Macedonia [The Former Yugoslav Republic of Macedonia] throughout the world. With this, the idea of establishing a bigger air transport facility in the country, which was recently reactivated, after a several months' hiatus, will officially be inaugurated, based on a specific agreement among the three companies.

As we already reported, the initiative of reviving this idea came from the pertinent ministry, ever since it became clear that the existence of three airlines, and the many omissions in their work, is wrecking the country's airline business and resulting in negative repercussions in this area. The idea was submitted to the highest state authorities, where it was approved and supported, after which the heads of the three domestic airlines were informed, so that they could take the first steps in this direction. This is also a final effort for the three companies, united within a larger airline, to defend themselves from the existing competition. It is a question of reactivating the JAT [Yugoslav Air Transport], as a result of which the state of air travel in the Balkans will experience radical changes that, among others, will have strong repercussions on Macedonian air travel as well.

According to Vanja Bitoljanu, chairman of the Paler-Makedonija administrative council, there are serious chances that this idea, repeatedly promoted by Paler, will eventually be implemented. In their meeting, the three companies took the first step and what remains is for their agreement to be successfully implemented. Otherwise, according to Bitoljanu, if we fail to consolidate, the consequences will affect both the companies and the state as a whole.

Also discussed at that meeting was the number of airplanes at the disposal of the new airline. It was concluded that six medium-range and one intercontinental airplane would meet the needs of our country for the transportation of passengers and goods. Otherwise, the three companies also agreed that MAT will end flight discounts (reaching as high as 40 percent) so that the recent agreement for joint cooperation may function and ensure the reciprocal acceptance and use of tickets by passengers and for air freight.

[Box, p 4]

Second "Boeing" for the Air Fleet

MAT has acquired one more airplane: It based on Western technology, of the Boeing 737-300 type, with seats for 148 passengers, and it is only five years "old."

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It will be one of the newer airplanes of the Macedonian air fleet. The airplane was leased from the Swedish Nordic East Charter Company. It will be used by MAT until the end of February of next year, during the winter, including the New Year and Christmas holidays. The crew will be a combined Swedish-Macedonian team (to this effect the MAT pilots are undergoing further training in Nottingham, in Great Britain), with domestic cabin personnel (stewardesses).

[Box, p 4]

Small Luxury Airplane Purchased by the Government

The Ministry of Transportation has taken steps to procure a new small luxury airplane that will carry delegations headed by the head of state or the heads of other ministries. The current airplane used by the government is so old and worn out that it makes a very poor impression when high state delegations fly abroad. We have been told that this will not be a "parade" airplane but a commercial aircraft that could be used also for regular transportation (and not only for use by the government) for the transportation of businessmen, various delegations, and so on. To this purpose, there is a choice between a Lear jet 60, with seven seats, costing about $13 million, and Challenger, with 18 seats, costing $19 million, which can fly across the ocean. Priority is being given to the latter. It is expected that an official request will be submitted to Canada Air. Either that, or it could be leased for a 10-year period.

Agreement Between JAT, Paler Airlines

95BA0077D Skopje VECER in Macedonian 8 Dec 94 p 6

[Unattributed article: "Is Nonrecognition an Obstacle to JAT?"]

[FBIS Translated Text] According to the agreement recently signed between our Paler Macedonian Airline and JAT [Yugoslav Air Transport], connections between Skopje and Belgrade will be resumed next 9 January. According to the agreement reached by the two companies, the line would operate daily except for Saturdays and Sundays. Every morning, at around 0730 hours, Paler would fly passengers from Macedonia [The Former Yugoslav Republic of Macedonia] to Belgrade and would immediately fly back with passengers from Yugoslavia to Skopje. Flights to Skopje and back to Belgrade by JAT will be during the evening hours.

The two companies also agreed on some joint flights, such as to Moscow, where both companies fly. Thus, in the morning Paler would collect passengers from Skopje and Belgrade and fly them to Moscow, and the return flight would be organized by JAT. Furthermore, joint flights have been agreed upon for destinations not flown by either of the companies. Specifically, Yugoslav passengers would be able to fly to Istanbul with Paler and to the Scandinavian countries, where our passengers, using JAT airplanes (flown to Belgrade in the morning by Paler) would be able to fly to Athens and Budapest with JAT.

Although the companies have reached an agreement, the question is whether this connection will indeed take place. According to our pertinent institutions, it is most likely that JAT flights will not be allowed to use our airports because Yugoslavia has still not recognized Macedonia. Therefore, it becomes problematical whether a transport company from a country that does not recognize us will be allowed. Still, eventually, it is most likely that the final word will be that of our government.

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Thaler Views Border Issue, Current Topics

AU0302191795 Zagreb VECERNJI LIST in Serbo-Croatian 2 Feb 95 p 7

[Interview with Foreign Minister Zoran Thaler by V. Zagorac in Ljubljana; date not given: "We Want a Dialogue With Croatia"]

[FBIS Translated Text] Slovene foreign policy favors a mutually acceptable and negotiated solution to relations with Croatia. This position was confirmed by the new Slovene Foreign Minister Zoran Thaler (33) before the deputies of the Slovene parliament last Thursday [26 January], just before they—with a convincing majority—elected him to the post. Thaler is the third Slovene foreign minister and he personally contributed to Slovene-Croatian relations first as deputy foreign minister in Prime Minister Peterle's government and as president of the parliamentary Committee for International Relations up until his appointment as diplomatic chief.

[Zagorac] How would you currently assess the general relations between Slovenia and Croatia?

[Thaler] If I were to limit myself to the current moment, I believe that both sides wish to solve certain open issues that have been dragging on for a full four years. Now the climate is favorable on both sides. We have lately given each other enough warning that a new beginning is expected in our dialogue. I regard as significant the visit to my counterpart Granic in Zagreb by Dr. Simoniti, the special envoy of Dr. Drnovsek.

We Are Searching for Acceptable Solutions

I believe that our relations oscillate too much, we are much too burdened with four or five unsolvable problems which have unjustifiably been dragging on since 1991. It is necessary to overcome this situation and to establish a regular dialogue between Ljubljana and Zagreb on other, broader, European security topics, in connection with problems in our region. We would in this way be aiding each other and we would become serious partners in the international community.

[Zagorac] Slovene policy offers two approaches to solving these issues. One approach urges a package solution, while the other supports the solving of individual cases. What do you foresee?

[Thaler] I believe that both sides lack ambition and I would like to influence a change. Why should cooperation in areas that have nothing to do with these problems suffer? There are many areas in which we can agree and bolster cooperation; things are moving in this direction because the Slovene parliament and its Commission for International Relations have already ratified some of these agreements. I believe that a border zone agreement would contribute to the improvement of quality of life along our border and that it would dispel certain tensions and ease the life of the local population. Our dialogue on issues regarding our states' relations with Italy are extremely important. I think there is no uniform recipe for solving problems. I would like us to take a detailed look at every individual problem and to search for solutions acceptable to both sides. To a certain extent we also need to keep in mind general relations and the interests of both sides.

The "Gutter Press" Has Inflated the Problems

[Zagorac] The sensitive issues involve issues pertaining to the border, the ownership of the Krsko power plant, and Croatian citizens' savings accounts with Ljubljanska Banka.

[Thaler] Slovenia considers the safety of Slovene citizens' property in Croatia to be a very significant problem.

[Zagorac] It is precisely such various problems that create the impression that a solution to problems is being looked for in the form of tie-in sale?

[Thaler] All these problems existed in 1991, but they were less pronounced than they are today. I remember that well because at the time I was the deputy foreign minister. I am very sorry that we were unable to solve them at the time. There is occasionally a belief in politics and diplomacy that certain problems will be easier to solve if they spend some time in a drawer. That was not so in this particular case. On the contrary. The stalling, the media exploitation, and the widening of the circle of interested parties only complicated the solving of these problems. The role of the "gutter press," which inflated certain problems in order to increase circulation, was particularly negative. They stressed the extremist positions of individuals, which were later presented as being the position of the entire state. This, of course, elicited reactions from the other side. Both sides should be aware of their responsibility in the area and should act rationally for their public.

[Zagorac] The media just do their jobs and in democratic conditions are not dependent on politics?

[Thaler] If readers find interviews with Mr. Jelincic interesting, why should we not have interviews with him every couple of months?

Relations With Italy

[Zagorac] Nevertheless, the impression is that Mr. Jelincic contributed significantly to the fact that the parliamentary delegation, that is, your committee's delegation, visited hamlets on the Dragonja River. How would you now assess this "outing" which did not have positive repercussions either in the Slovene public or politics, and even less so in the Croatian public and politics?

[Thaler] The deputy in question has a special image owing to his remarks in high circulation papers and the problem is precisely in the fact that he was the one who toured the hamlets. Parliamentarians should concern themselves with open issues. If we have spent three years discussing the problem of a border line, a dual land

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register, and the like, the problem should be solved, we should visit the controversial spot.

[Zagorac] The Italian minority also lives in the area, which at one time used to be one nation's minority living in one state, and now it lives in two states. What do you think about the coordination of Slovenia's and Croatia's position toward the Italian minority?

[Thaler] I believe that we should discuss those issues that interest both sides as regards relations with Italy. Slovenia did not sign the trilateral agreement on the issue and little is known about the main reason for this. We did not do so because Italy refused to sign a draft document titled Agreement on the Protection of the Slovene Minority in Italy which was a bilateral agreement between Italy and Slovenia. The agreement reciprocally and clearly summarized what was stated in the trilateral agreement on the protection of Italians. It is regrettable that Italy, when it came to the protection of Slovenes in Italy, found the draft agreement unacceptable. I still think that we should have a bilateral agreement with Italy. In addition to that, I believe that it is the duty of both states to make their citizens feel as good as possible. The Italian minority should be helped so that it does not feel partitioned, that is, so that its quality of life and protection do not deteriorate. The citizens of our two states can cross the Croatian-Slovene border just by showing their identity cards. The Slovene-Italian border cannot be crossed in this manner.

A Faster Diplomatic Tempo

[Zagorac] Can we expect the joint Croat-Slovene diplomatic commission to work faster now that you have taken over as diplomatic chief and a new president has been appointed to head the Slovene part of the diplomatic commission?

[Thaler] I intend to hold regular and free talks with my worthy colleague Granic in this initial phase. We had established extremely successful contacts for a couple of months, which were then discontinued for banal reasons. Our two states should not allow such things to happen. I shall insist with the relevant ministers that the expert part of the groundwork for solving the problems is speeded up.

[Zagorac] Some Slovene analysts claim that after the UN Protection Force withdraws from Croatia, Slovenia's security situation will change. How would you assess the Croatian authorities' decision?

[Thaler] We are not indifferent to the development of events in the occupied Croatian and Bosnia-Herzegovina territories. We are worried by the hint of a possible destabilization of our position—if that is the right term—with uncertain results. Slovenia wants first hand information on the intentions and policy of our friendly neighboring state's intentions because this influences our position and our actions. It is Slovenia's position—which we constantly reiterate in international forums like the United Nations, the OSCE, and the Council of Europe—that Croatia is an independent state a part of whose territory is temporarily occupied due to the Greater Serbian aggression. Croatia has every right to change this situation into a situation that will be in accordance with Croatian sovereignty in these areas and we believe that the international community should help it in this endeavor. As part of the international community, we want this to happen through peaceful means, but we support the Croatian side in its criticism of the international community for its lack of will and ability to create conditions for the peaceful reintegration of the occupied territories.

[Box, p 7]

Slovenia's Dilemma

[Zagorac] How do you see Slovenia's future position towards the other states that have emerged in the region of the former Yugoslavia and what is now called the Federal Republic of Yugoslavia?

[Thaler] I do not wish to discuss details at this time, but it is a fact that Slovenia is in a position which could be called a dilemma. On the one hand it is important for our state to go on dissociating its image from the image of the former Yugoslavia which has a pronounced negative prefix in the international community. We shall continue in this direction. On the other hand, however, it is my belief that Slovenia, as much as it can, should contribute to the international community so that these problems are solved in accordance with basic principles and values of the international community deriving from the Helsinki process and the Paris Charter.

It is in our interest that a stable and lasting peace is achieved in the Balkans, and not a peace that would be a status quo peace and as such would constantly be a powderkeg and a source of potential tension. As far as the separation is concerned, it is important for us that something is achieved in the area of succession. Serbia, that is, Belgrade, is rather successfully stalling in this area and is obstructing a solution. The coordination of Zagreb and Ljubljana is important in this area, as is a policy which will certainly not always be identical, but which will take into account the partners' interests.

[Box, p 7]

Barely Discernible Borders

[Zagorac] What would you personally convey to the Croatian public?

[Thaler] It is Slovenia's and the Slovenes' interest to have the best relations with all our neighbors and with the Croatian people. Public opinion polls and other indicators testify to this. They imply that people want problems to be solved, they want the borders defined, but so that they are barely discernible and as open to traffic as possible. When I say this, I feel obliged to coordinate my work with this orientation.

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Deal Involving Ljubljanska Bank, Macedonian Bank

95BA0086A Ljubljana REPUBLIKA in Slovene 18 Dec 94 p 13

[Article by Alenka L. Jakomin: "Mystery of LB-Makedonska Banka"]

[FBIS Translated Text] *On the track of the rumors that LB [Ljubljanska Banka] sold its share in its former Macedonian [The Former Yugoslav Republic of Macedonia] branch at a "trifling" price.*

The news has spread in banking circles that LB—now already the "old" LB—is supposed to have sold the 51-percent share in LB-Makedonska Banka that LB had in that bank. The value of that capital is supposed to amount to 1.5 million German marks [DM]. The news has also been unofficially confirmed by some sources at the Agency for Rehabilitation of Banks and Savings Banks and among managers at the Bank of Slovenia [BS]. The buyers are reportedly Zoran Trpeski, present director of LB-Makedonska Banka, and his deputy, who allegedly bought LB's share for a "trifling" price, namely for the value of an average-quality automobile. The Agency for Rehabilitation of Banks and Savings Banks reportedly received a letter from the governor of the Macedonian central bank guaranteeing that Slovenia no longer had any obligations in connection with LB-Makedonska Banka. No one wants to give official confirmation of the latter news.

The beginning of the LB-Makedonska Banka story goes back to the end of 1989 and the beginning of 1990, and is somewhat different from the story of LB's Zagreb branch. We know that at the end of 1989 LB reorganized and became a stock company, and the basic banks in Slovenia acquired the status of daughter banks, while the Zagreb LB became the Chief Branch Office and was subordinate to the parent bank, whereas the status of LB-Makedonska Banka was unclear for a long time, because the National Bank of Yugoslavia and the National Bank of Macedonia did not want to give their approval. At the time of Yugoslavia's collapse, according to that bank's present director, Zoran Trpeski, LB-Makedonska Banka was a branch of the parent bank in Ljubljana. They managed to settle its status in 1991, when LB-Makedonska Banka became an independent bank and no longer a branch. In the opinion of numerous experts on the situation in the Slovene financial market, a decision on such an LB reorganization just before Slovenia became independent would certainly have been a sort of bank "suicide," but we will not go into the correctness or incorrectness of that decision here; after all the Slovene parliament will discuss this issue soon.

Anyway, Macedonia Has Already Renounced Its Claims...

The fact is that in a bank that is an independent legal person and not a branch subordinate to a parent bank, the shareholders are only responsible for their own invested capital. LB-Makedonska Banka came into being with DM96,988 in founding capital, in which LB's deposit was DM49,469, which amounted to precisely 51 percent of the founding capital. LB consequently had a liability in LB-Makedonska Banka in the amount of its 51-percent share, with the accounting value of the capital amounting to approximately DM1.5 million. In the second place, DM150 million (according to some sources, DM120 million) was the total value of the foreign exchange deposits, which, from a legal standpoint, no one can claim from LB as a shareholder (today from Slovenia, which is the owner of the "old" LB), because the bank no longer has the status of a branch. Dr. Dimitar Mircev, the Republic of Macedonia's ambassador to Slovenia, also agrees with that, and says that Macedonia does not have any claims in connection with foreign exchange deposits in LB-Makedonska Banka not paid to Slovenia or LB, and that Macedonia is resolving this issue itself.

Slavko Jamnik, deputy director of the Agency for Rehabilitation of Banks and Savings Banks, who is at the same time also the chairman of the board of directors at LB-Makedonska Banka, explains the story somewhat differently. According to Jamnik, LB-Makedonska Banka, per the final statement for 1993, has in its balance sheet somewhat more than 70 percent of the balance amount of the old foreign exchange deposits. The rest of the balance sheet is partly the "live" balance, and the rest of the items constitute the "dead" part of the balance, or in other words claims against enterprises that are not collectible in full. In comparison with Slovene banks, at which on the average the old foreign exchange deposits represent between 10 and 25 percent of the balance-sheet amount, that ratio at LB-Makedonska Banka naturally constitutes an incomparably greater burden. The bank simply is not capable of business operations unless the problem of the old foreign exchange deposits is resolved first. With the Slovene parliament's adoption of amendments to the constitutional law (on 27 July 1994), four banks emerged from the two: Nova Ljubljanska Banka and the "old" LB, and Nova Kreditna Banka Maribor [KBM] and the "old" KBM. LB-Makedonska Banka thus remained the property of the "old" LB. That means, according to Jamnik, that the capital shares and the "old relationships" with the branches and daughter banks in the former Yugoslavia remained, not on the basis of commercial ties and regular transactions, but the "old" LB, and so forth. Consequently, by amending the constitutional law, Slovenia decided that all ties with the branches and daughter banks in the republic of the former Yugoslavia would be left to the old banks, which means that they would try to settle all relationships (resulting from capital shares, loan ratios, old foreign exchange deposits...) themselves. "Formally and legally, the Agency for Rehabilitation of Banks and Savings Banks only manages the old banks, and the old banks are only responsible for their operation with their own property," Jamnik also

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confirms. That assertion by Jamnik is not completely true, to be sure, because the amendments to the constitutional law say, among other things, that the appropriate court will register the Agency for Rehabilitation of Banks and Savings Banks as the owner and management of LB, and furthermore, management of that bank's property is an operational task for the Agency. How is it possible, then, that the Agency, as the owner and manager of the property, is not responsible for its operation? Jamnik also explains that there is an additional problem in Macedonia, because allegedly the state there still has not yet adopted a final legal solution for the foreign exchange deposits. That assertion is also not completely true because the problem of the old foreign exchange deposits has been solved in Macedonia through a special law, which has also been confirmed by the Macedonian Government and parliament, and according to which Slovenia and LB do not owe anything to Macedonian depositors. Macedonian Ambassador Dr. Dimitar Mircev says that some of the funds from savings deposits have already been returned to the depositors, partly in the form of loans....

But What Will Happen Next Year, When the Provisional Macedonian Law Expires?

It is true that the provisional law that solved that problem only temporarily and partially will expire at the end of the year. Specifically, the government has not issued state securities for the rehabilitation of the banking system, as Slovenia has done, and the banks in Macedonia have not yet been rehabilitated. Unless the Macedonian parliament passes a new law immediately after New Year's Day, there is a possibility that all the banks burdened with the old foreign exchange deposits will go into rehabilitation proceedings, including LB-Makedonska Banka. Why, then, is the Slovene Agency for Rehabilitation of Banks and Savings Banks afraid that it might have to be responsible for unpaid foreign exchange deposits in LB-Makedonska Banka, if there is no legal reason for it? Zoran Trpeski says that that issue will become relevant after New Year's Day, when the provisional law expires. "It is true that LB-Makedonska Banka was a so-called independent bank with majority ownership by LB, and that is also how Macedonians view it. That is why we at the Agency decided to rename the bank as Makedonska Banka and to change part of its charter as well," Slavko Jamnik said, adding that for the time being the bank's ownership status remained unchanged. "We wanted the name to be as close as possible to the environment in which the bank was doing business." At the end of September, the Agency for Rehabilitation of Banks and Savings Banks did rename LB-Makedonska Banka as Makedonska Banka, and according to Jamnik, the name was registered on 10 October 1994. Of course, in accordance with the amendments to the constitutional law, several steps will follow, which means that the old LB (and as its owner and manager, the Agency, i.e. the Slovene state) has to settle all relationships in connection with the property, and, through Makedonska Banka, achieve a settlement for the old foreign exchange deposits, which would considerably straighten out the situation at Makedonska Banka. One of the envisioned possibilities for solving the problem of LB's capital investment, according to Trpeski, is also disinvestment (a sell-off). "We have not made a final sale of anything, nor is the bank selling real estate," asserted Slavko Jamnik, chairman of the board of directors of Makedonska Banka. Zoran Trpeski (the presumed buyer) also denies this, saying that the rumors about LB's selling off its share in Makedonska Banka are pure speculation.

A New Name and New Management, and the Slovene "in the Field" Has Left...

It is interesting, however, that when the name was adopted, at the proposal of the director of Makedonska Banka the board of directors dismissed the deputy director, a Slovene, who was at the same time a representative of LB's capital in Makedonska Banka. The board of directors otherwise remained unchanged, and Slavko Jamnik remained the chairman. Trpeski claims that the "resigned" deputy director left because he had accomplished all of his tasks by then, and furthermore Trpeski did not see any need for LB to have its own representative at the bank if it trusted the present leadership.

Of course, it is true that Slovenia and its institutions, in the case of resolving the obligations of LB and its branches in the republics of the former Yugoslavia, are acting on behalf of Slovene national interests. After all, that is precisely why parliament approved the amendments to the constitutional law, since otherwise the obligations for unpaid foreign exchange deposits of the LB branches (and not independent banks) in the republics of the former Yugoslavia would have to be assumed by the Slovene taxpayers, indirectly, through the public debt. The action of the Agency for Rehabilitation of Banks and Savings Banks is not quite logical, however. Specifically, if that bank is an independent legal person and not a branch of the parent one in Ljubljana, LB (today the old LB, under the administration of the Agency for Rehabilitation of Banks), then no one is entitled to claim anything, including the unpaid foreign exchange deposits. If the Agency really was not selling LB's share in Makedonska Banka, as Jamnik claims, there is actually no real reason for Makedonska Banka to send home LB's representative at Makedonska Banka, instead of protecting the interests of its owner. Furthermore, the reason for changing the bank's name has not been completely established. Because of its economic interests, Slovenia should have a presence in Macedonia with its own bank, even if that bank were in rehabilitation proceedings. After all, LB-Makedonska Banka is the second most powerful bank in Macedonia (that has also been confirmed by the Coopers & Lybrand auditing firm), savings deposits in it are growing, and consequently depositors' confidence in the bank has not been shaken, and also the payment transactions of most of the Slovene enterprises doing business with Macedonian

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ones are flowing through precisely that bank. On the other hand, the sale of LB's share is possibly sensible if Slovenia is thereby getting rid of possible obligations. In that case, however, the Agency would probably immediately confirm that sale, even if it were a sale at a "trifling" price. Judging by all the illogical elements, one could even think that the Agency is not telling everything that it knows, and in this regard we are leaving open the possibility that it is perhaps also to protect Slovene national interests. Specifically, it is true that Macedonia could change its mind and start to behave like Croatia toward Slovenia with respect to the issue of the unpaid foreign exchange deposits, even though, since the Macedonian Government already decided a while ago to assume responsibility for the unpaid foreign exchange deposits as part of its public debt, that is less likely. After all, in democratic countries the status of banks should not be changed retroactively.

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Federal

Army Denies Helicopters Flying to Bosnia

LD0602161595 Belgrade TANJUG Domestic Service in Serbo-Croatian 1506 GMT 6 Feb 95

[FBIS Translated Text] Belgrade, 6 Feb (TANJUG)—The Information Service of the Yugoslav Army General Staff issued a statement today denying the reports carried by some foreign media about a large number of helicopters allegedly flying from the Federal Republic of Yugoslavia [FRY] to the territory of former Bosnia-Herzegovina.

The statement denies these claims and reiterates that some media have again repeated their primitive fabrications about the alleged involvement of units of the Yugoslav Army in the civil war in former Bosnia-Herzegovina.

The statement notes that some foreign media have carries reports about a large number of helicopters flying from the FRY to the territory of former Bosnia-Herzegovina, claiming that in so doing they violated the embargo regime and the no-fly zone.

The insinuation is obvious, the statement adds, because there is no mention of reports by the observer team and competent UN and NATO officials who state that there has been no violation of the no-fly zone, since the focus is on the vague statements made by unnamed officers of the peace force.

The Yugoslav Army General Staff reiterates on this occasion the fact that the Yugoslav Army has no units or combat equipment beyond the borders of the FRY, in keeping with the stands and peace initiatives of the state leadership, the statement says in conclusion.

TANJUG Notes POST 'Anti-Serb Policy'

LD0602153795 Belgrade TANJUG in English 1453 GMT 6 Feb 95

["WASHINGTON POST Continues With Anti-Serb Policy"—TANJUG headline]

[FBIS Transcribed Text] Washington, Feb. 5 (TANJUG)—THE WASHINGTON POST has described former U.N. Commander for Bosnia, Gen. Michael Rose a Serb lackey only because he has said that no interest in peace is shown by either the Bosnian Muslims, Croats or Serbs.

The daily ironically said in a commentary by Daniel Williams on Monday that Rose had attempted to justify his 'cooperation' with Serbs at a news conference in Washington last week.

Williams said the statement that none of the three sides in Bosnia were showing interest in peace had brought Gen. Rose in direct conflict with the U.S. Administration which insists that only Serbs oppose peace.

THE WASHINGTON POST obviously continues to reflect the U.S. Administration's position.

The United States in November last year ceased enforcing the U.N. arms embargo in the case of the Bosnian Muslims. U.S. Ambassador to the U.N. Madeleine Albright refuted Gen. Rose's statement at a press briefing in the State Department on Saturday, once again manifesting her proverbial animosity against Serbs.

THE WASHINGTON POST, which has close connections with the U.S. Administration, undertook to criticize Gen. Rose after his visits to New York and Washington, during which no U.S. official had time to meet with the general.

Albright was too 'busy,' while assistant secretary of state and U.S. representative in the international 'Contact Group' for Bosnia Richard Holbrooke cancelled the scheduled meeting with the general because of a crammed scheduled.

THE WASHINGTON POST also sharply criticized Gen. Rose's statement that all sides in Bosnia, including the Muslim government, were resorting to all kinds of deceptive propaganda ploys.

Minister Cites 1.5-Million-Tonne Wheat Surplus

LD0702122195 Belgrade TANJUG in English 1148 GMT 7 Feb 95

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Feb. 7 (TANJUG)—Serbian Finance Minister Dusan Vlatkovic has said that Yugoslavia has about 1.5 million tonnes of wheat surplus, worth about 150 million dollars.

Vlatkovic told TANJUG on Tuesday that Yugoslavia was unable to export wheat being under total economic blockade.

The U.N. Security Council in late May 1992 imposed comprehensive and mandatory sanctions against the Yugoslav Federation of Serbia and Montenegro.

According to Yugoslav Government figures, the Yugoslav economy had suffered at least 45 billion dollars in losses due to the sanctions by August 1994.

Vlatkovic said efforts were being made to find ways to sell the wheat surplus on the domestic market and use the revenues for the spring sowing.

Yugoslavia recorded a wheat crop of about 3.5 million tonnes in 1994.

Moscow Official Views Lifting of Sanctions

LD0602203695 Belgrade TANJUG in English 1914 GMT 6 Feb 95

[FBIS Transcribed Text] Belgrade, Feb. 6 (TANJUG)—Member of a Russian Government delegation Andrey

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Shapovlyants said Monday that the lifting of the sanctions against Yugoslavia or at least their further easing was the best joint interest of Serbia and Russia.

The Russian Government delegation is on a working visit to the Federal Republic of Yugoslavia since Sunday. Shapovlyants is the first deputy minister for foreign economic cooperation and head of the Russian part of the Russian-Yugoslav committee on economic cooperation.

In his talk with prime minister of the northern Serbian Province of Vojvodina Bosko Perosevic, Shapovlyants said that if the process of lifting the sanctions were not to develop at a pace expected in Russia 'we would take necessary steps to promote cooperation in the first place at the bilateral level.'

On Monday, Russian Agriculture and Food Industry Minister Aleksandr Nazarchuk, also a delegation member, visited the Maize Institute at Zemun Polje outside Belgrade, a world renowned institution for maize hybrid seed production, and the Institute for Small Crops and Truck Farming in Novi Sad.

Later on Monday, Serbian Agriculture Minister Ivko Djonovic and his Russian counterpart have signed a protocol on agricultural cooperation, which envisages founding of joint companies based on joint technology and investments in all agricultural production branches of mutual interest.

The two delegations discussed resuming cooperation in the iron and steel and non-ferrous industries, and banking and finance once the sanctions against Yugoslavia were lifted.

On Monday, Serbian President Slobodan Milosevic received the Russian delegation headed by Deputy Prime Minister Oleg Davydov.

Preparations for Granic Visit to Belgrade

LD0602151495 Belgrade TANJUG in English 1337 GMT 6 Feb 95

["Pool" item by diplomatic editor Stevan Cordas]

[FBIS Transcribed Text] Belgrade, Feb. 6 (TANJUG)—Judging by media reports, Croatia has, without consulting Belgrade, set the time of its Foreign Minister Mate Granic's visit to Yugoslavia and the agenda of his talks with Yugoslav Foreign Minister Vladislav Jovanovic.

A visit, its date and agenda cannot be set through the media. The usual procedure is to do so through consultations. It is hard to say what is involved, an ignorant diplomacy or something else.

It is only certain that official Zagreb has taken a very aggressive approach in beginning to make 'preparations' for the Granic visit, engaging solely the media while disregarding the customary diplomatic channels.

Granic has said he wishes to discuss in Belgrade two issues—the problem of 'missing persons' and Yugoslavia's recognition of Croatia.

As far as the date of the visit is concerned, Feb. 20 is most frequently mentioned in Zagreb, according to foreign news agency reports which cite Croatian sources.

It was only last Friday that Granic received head of the Yugoslav bureau in Zagreb Veljko Knezevic. It was before the meeting had taken place that Zagreb had announced through domestic and foreign media that Granic would visit Belgrade for a specific purpose.

Croatia is obviously knocking on open doors in view of the fact that Yugoslavia has always been ready for dialogue, an illustration of which are the visit paid to Zagreb in February last year by then Yugoslav Deputy Prime Minister Zeljko Simic and the visit of Yugoslav Foreign Minister Vladislav Jovanovic in November.

Croatian Foreign Minister Granic had on both occasions promised return visits, but the promises have not been fulfilled. Croatia's insistence on the issue of allegedly missing persons is not at all naive. It is a well-known fact that there was no war conflict on the territory of the Federal Republic of Yugoslavia, but Zagreb obstinately insists on the 'issue.'

Croatia, at the same time, fails to make any mention whatsoever of missing persons on Croatian territory, in particular members of the former Yugoslav People's Army (JNA).

The request for Yugoslavia to recognize Croatia is a sheer substitution of theses. Croatia wishes to kill two birds with one stone. It wants the 'reintegration of (the republic of Serb) Krajina' and its own recognition. Moreover, it is trying to bypass the Vance plan which is practically the only basis for a solution to relations between the republic of Serb Krajina and Croatia.

Official Zagreb formally calls for a peaceful solution to the problem with the republic of Serb Krajina, while, at the same time, it increasingly threatens it will use force against the Krajina Serbs.

Croatia has four times resorted to military means in an attempt to impose its rule on the territory of the republic of Serb Krajina although that territory has been under United Nations protection since 1992. Problems between Zagreb and Knin are not resolved in Belgrade.

It is strange that at the very time when matters between Zagreb and Knin took a positive turn, Croatia made an extremely risky move and decided to deny hospitality to U.N. Protection Force [UNPROFOR] troops.

Yugoslavia maintains that a policy of small steps forward should be pursued in the normalization of relations between Knin and Zagreb with a view to accomplishing big results. The actual point is that Yugoslavia and Croatia should undertake the solution of those problems which can objectively be resolved at this stage.

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The process of normalization of relations between Yugoslavia and Croatia should unfold gradually, with the doors wide open to dialogue, and the closing phase of the process should be left for the final solution of the most complex issues.

Small Businesses, Lower Prices Vital to FRY

95P20463A

[FBIS Media Note] On 10 January representatives of the Federal Republic of Yugoslavia (FRY) Government met in Belgrade with about 100 of the country's most successful businessmen to discuss economic problems and possible solutions. The main theme of the meeting, reported in the 11 January issue of the popular Belgrade daily VECERNJE NOVOSTI under the headline "Future in Home Factories," was the importance to the FRY economy of private enterprise. The article noted that participants in the meeting unanimously agreed to proclaim 1995 "the year of small and medium-size businesses." The article pointed out that by the end of 1995 team of investment specialists appointed by Dr. Dragoslav Avramovic, governor of the National Bank of Yugoslavia, would "work out the conditions for financing 1,000 small and medium-size enterprises." It was stated at the meeting that such small companies represent "the best chance for the Yugoslav economy to return to the mainstream of world economies" because they are more flexible and efficient in adapting to changing conditions than "large systems" with cumbersome structures and numerous employees.

Another article in the same issue of VECERNJE NOVOSTI, titled "Ministers Roll Prices Back," noted that some Serbian Government ministers who are concurrently company directors had agreed to lower prices on products their companies produce to their level in July 1994. Other company directors who are members of the Central Coordinating Group and area coordinating groups, economic policy advisory bodies, agreed that prices should stay at that level because there was no sound economic justification for raising them. They also agreed that any company director who violated this agreement and thus "jeopardized the stability of prices and the dinar" would be expelled from the coordinating group.

Dragan Tomic, director of the furniture-manufacturing company Simpo and minister without portfolio in the Serbian Government, pointed out that his company would simply cease making products whose prices it would otherwise have to raise due to increases in the cost of materials. Tomic also stated that the Serbian Government, while declining to control prices by decree, would stop using the products of companies which refused to roll back prices.

Serbia

Davydov Stresses 'Positive Stance' on Sanctions

LD0602160895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1449 GMT 6 Feb 95

[FBIS Translated Text] Belgrade, 6 Feb (TANJUG)—Serbian President Slobodan Milosevic today received Oleg Davydov, deputy prime minister and minister of foreign economic relations of the Russian Federation, who is paying an official visit to our country at the head of a Russian government delegation.

In cordial and friendly talks which were attended on our side by Serbian Premier Mirko Marjanovic and Deputy Federal Premier Nikola Sainovic, and on the Russian side by Minister of Agriculture Nazarchuk and Gasexport Managing Director Derezhov, most attention was paid to promoting all-round relations between Serbia, the Federal Republic of Yugoslavia [FRY], and the Russian Federation, particularly to strengthening mutual economic relations and cooperation, in which both sides expressed a high degree of interest.

Expressing his pleasure at the official visit of the high-ranking Russian government delegation to our country, President Milosevic said that Serbia and the FRY attach particular importance to economic relations with the Russian Federation, a statement says. The participants in the talks focused their attention on topics from the agenda for official talks between the two governments' delegations. Both sides shared the conviction that the agreements that will be reached between the two sides will be successfully and efficiently implemented, and also that intensive economic cooperation will continue.

The high-ranking guest from Russia conveyed the support of the Russian government for the efforts made by our country to attain a peaceful settlement of the crisis on the territory of former Yugoslavia and to restore stability and conditions for economic and cultural progress of the FRY. He also underlined the positive stance held by the Russian Government in connection with the lifting of sanctions against the FRY, which are rendering the prospect of the peaceful resolution of the crisis more remote and contribute to the continuation of conflicts whose advocates are the champions of the war option.

The joint conclusion, therefore, is that the tardiness of the international community in taking a step toward lifting the sanctions threatens peace and stability throughout Europe. Russia, as the main power and without any doubt an important international factors, does not wish to take part in that wrong practice.

The two sides underscored in the talks that the orientation of the two countries is to develop overall relations and cooperation, in accordance with their interests and proven possibilities, to which this visit will undoubtedly contribute.

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The meeting was also attended by Russian Ambassador to Belgrade Gennadiy Shikin.

Agriculture Minister Signs Accord With Russians

AU0602175195 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 6 Feb 95

[Report by Olivera Stajic]

[FBIS Translated Text] Mr. Aleksandr Nazarchuk, minister of agriculture and foodstuffs in the Russian Federation, and Serbian Agriculture Minister Ivko Djonovic have just signed a protocol on cooperation in agriculture in Inex Inter-Export Enterprise.

The protocol in fact boils down to analyzing the current situation in agriculture and emphasizes the need to expand cooperation and set up joint firms on the basis of exchanging technology in all spheres.

This refers to, for instance, the production of pesticides, cattle-breeding, the production of equipment for agriculture, and all other spheres of agriculture where there are mutual interests.

This protocol will be included in the general protocol to be signed by the delegation heads in the Palace of the Federation tomorrow.

Montenegro

Djukanovic Discusses Issues With Russia's Davydov

LD0602172495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1453 GMT 6 Feb 95

[FBIS Translated Text] Belgrade, 6 Feb (TANJUG)—Milo Djukanovic, prime minister of Montenegro, had talks in Belgrade today with Oleg Davydov, deputy prime minister and minister of foreign economic relations of the Russian Federation, the Federal Secretariat for Information has announced.

Expressing satisfaction after his meeting with the guests from friendly Russia, Prime Minister Djukanovic expressed thanks on behalf of the state leadership of Montenegro for Russia's constructive approach in finding a lasting solution to the crisis on the territory of the former Yugoslavia.

Speaking about the Montenegrin economy, Prime Minister Djukanovic laid special stress on the difficulties caused by the introduction of sanctions by the international community on our country, and also those caused by the natural disasters which have hit Montenegro over the past few years.

Montenegro, Djukanovic said, has great potential in terms of natural resources, and it sees its opportunity for development in the intensification of industrial production, maritime activities, tourism, and investments in the port of Bar. These are areas where it is possible to discover forms of further cooperation with the Russian Federation, something which could come to fruition in the conditions of the easing or complete lifting of sanctions. The role of Russia in this is great; only an economically powerful and politically stable Russia is a sure guarantee of the stability of the new world order and peace in the world, Djukanovic stressed.

Prime Minister Djukanovic brought up the idea of opening a consulate and cultural center of the Russian Federation in Montenegro.

The key question for Montenegro today is the securing of energy supplies for the biggest plants in the republic—the aluminium plant in Podgorica and the Niksic iron and steel works. Repairs are also needed to put right the Pljevlja thermoeletric plant, Prime Minister Djukanovic said, and added that the people of Montenegro are expecting the help of the Russian Federation in resolving these problems. The big Russian company, Tehnopromeksport, has made an offer to repair the thermoelectric plant and it has been agreed that very soon this offer will be set out in concrete terms.

At the end of the talks, in which Nikola Sainovic, deputy prime minister and federal minister of economic affairs, and Miodrag Gomilanovic, Montenegrin minister of industry, energy and mining, also took part, Milo Djukanovic presented Oleg Davydov with a picture of King Nikola I, the statement by the Federal Secretariat for Information says in conclusion.

Bulkatovic, FRY Officials Discuss Issues

LD0602175295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 6 Feb 95

[FBIS Translated Text] Podgorica, 6 Feb (TANJUG)—Montenegrin President Momir Bulatovic received Pavle Bulatovic, Federal minister of defense, and Colonel General Momcilo Perisic, chief of staff of the Yugoslav Army, in Podgorica today.

According to a statement, in the course of the meeting they exchanged views on the current issues of cooperation of the state bodies of Montenegro and the Yugoslav Army in projects important for the development of the economy, tourism, and the environment in Montenegro.

In this respect they particularly stressed the need to move certain units of the Yugoslav Navy from the Bay of Kotor.

It was concluded in the talks that, despite war conflicts and other problems that surrounded the arrival of the fleet there, the navy has managed to preserve a high degree of combat readiness without producing a considerable negative effect on the economy, tourism, and the environment in this area.

They also examined other issues of importance for strengthening the ability of the Yugoslav Army to perform its constitutional role.

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Bulatovic, Nieminen Hold Successful Talks

LD0602145895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1227 GMT 6 Feb 95

[FBIS Translated Text] Podgorica, 6 Feb (TANJUG)—Montenegrin President Momir Bulatovic received in Podgorica today Tauno Nieminen, who recently took over the duty of head of the international mission of the international conference for former Yugoslavia.

In their talks the two sides spoke highly of the cooperation between the humanitarian mission and relevant bodies of the Republic of Montenegro in the implementation of the decision of the Federal Republic of Yugoslavia Government of 4 August 1994 on limiting trade with the Srpska republic.

It was concluded in the talks that some initial difficulties were successfully overcome and that both sides consistently and fully fulfilled their obligations.

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